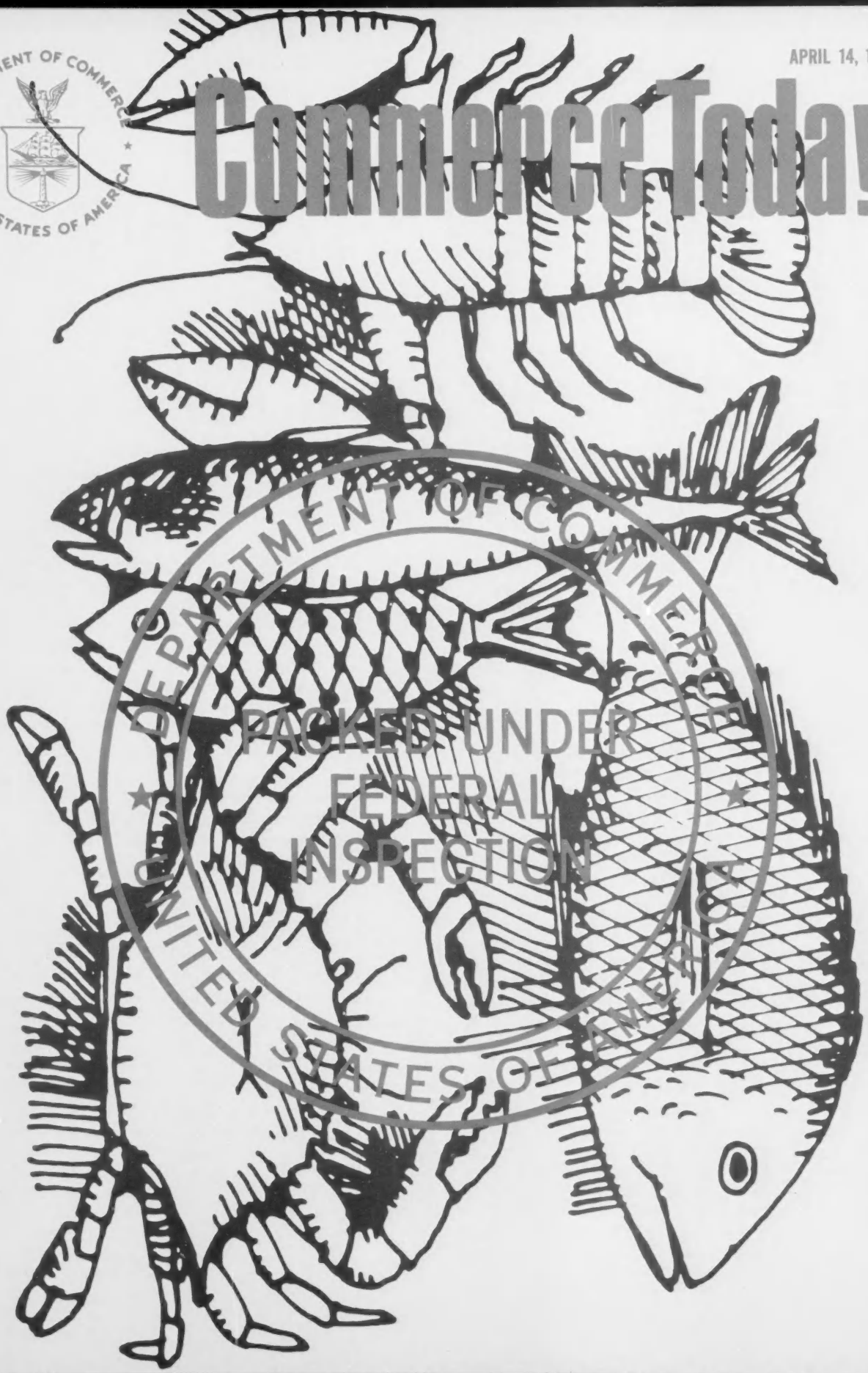
APRIL 14, 1975

Commerce Today



Fishing Where The Fish Are

This column was written by Acting Secretary of Commerce John K. Tabor.

There's an ancient proverb that tells us, "Fish where the fish are!"

Translated into the language of trade, it contains some sage advice for American business today: Export where the dollars are!

The most promising prospects for increased foreign sales at the moment are no longer in the markets of our traditional trading partners—Japan and the nations of Western Europe. Their economies are in recession like our own.

The more lucrative opportunities lie elsewhere: in the growing markets of the oil-rich countries of the Middle East and the centrally planned economies of the Soviet Union, Eastern Europe and the People's Republic of China.

The record of our exports for the past four years indicates which markets have the best potential for growth.

While our exports increased 95 percent to the European Community, they soared 227 percent to the oil exporting countries, primarily in the Middle East.

During the same period, our sales to the Soviet Union shot up 410 percent; to Eastern Europe, 250 percent, and the People's Republic of China, a phenomenal 1,170 percent.

The booming markets of such oil rich nations as Saudi Arabia, Iran, Kuwait, and other Persian Gulf States are especially attractive. The mounting oil revenues of Iran and the Arab countries have created truly monumental sales opportunities. The OPEC countries as a whole received some $90 billion in such revenues in 1974.

These countries are in the process of one of the greatest economic transformations in history. Beginning almost from scratch, they are creating gigantic industrial complexes in the shortest possible time.

In February, as Chairman of the Economic and Finance Committee of the United States-Iran Joint Commission, I saw first-hand how Iran, like other countries in the area, is using its new found wealth to develop as rapidly as possible an advanced economic and social infrastructure. Sales opportunities for Americans include participation in port development, nuclear power plants, housing, hospitals, highways and petrochemical plants.

Last month, the U.S. and Iran agreed that in the next five years, non-oil trade between our two countries should total $15 billion. U.S. exports will be the major element in this trade.

The Socialist countries are also forging ahead with their industrial development. While the dollar volume of our exports to them in the past has been relatively small, the huge percentage increases reflect the policy of detente and the trend is expected to continue.

The vast potential is indicated by the size of their populations: the Soviet Union, 250 million; Eastern Europe, 130 million; and the People's Republic of China, 800 million. All these markets are worth exploring by American exporters.

The slack demand in our own economy today has left many manufacturers with unutilized capacity. Dropping a hook in the right waters abroad can go a long way toward making up for that slack. There's a big fish waiting to be landed there.

John K. Tabor

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COVER: *A recent governmental policy change permits the use of this PUFI inspection mark on fish products indicating the product inspected is safe, wholesome, has good flavor and odor and was packed under inspection in an official establishment. Several major fish processors have recently signed up for this voluntary service as the story beginning on page 5 recounts.*

New Set Of Leading Indicators Expected To Show Better Forecasting Performance

Economic Highlights is prepared by James L. Pate, Assistant Secretary of Commerce for Economic Affairs.

Some fundamental changes will be made in the Composite Index of Leading Indicators in the near future in order to improve its reliability and timeliness as an economic forecasting tool. One major objective of the revision will be to minimize the distorting effects of inflation.

The index is a statistical composite of 12 economic series that move in advance of economic activity. A strong upward movement in the index, for example, is considered a signal that economic activity will expand in the future. Many economists have cautioned, however, that the index should be interpreted in the context of other economic developments.

In recent years, the index, as well as other economic series, has been distorted by inflation. In fact, real economic activity has at times been almost totally obscured by the rapid rises in prices that have occurred since the late 1960s. Inflation contributed to some extent to the delay in recognizing the downturn that occurred in 1969-70, and it was a major cause of the miscalculation associated with the current slowdown. Shortly before the current recession, the index of leading indicators declined twice in four months, but then it moved steadily upward through the first eight months of 1974 even though the economy, as measured by real Gross National Product, declined throughout the year.

The effort to improve the leading indicators, however, was not associated with last year's contrary behavior of the index. The Commerce Department's Bureau of Economic Analysis, which publishes the leading indicators, initiated a review of the index in 1972. More than 100 series were examined for inclusion in the index. Major contributors to the study were Charlotte Boschan of the National Bureau of Economic Research, which carried out the original research on the leading indicators years ago; Victor Zarnowitz of the University of Chicago and NBER; and within BEA, Director George Jaszi, Beatrice Vacarra, and Feliks Tamm.

The various series were considered on the basis of their movements only through 1970. After the new group was selected, it was calculated through 1974. The results are shown as the lower line of the chart on the opposite page; the top line depicts the index currently in use. It should be noted, however, that both indexes are plotted without trend adjustment. In current practice, the adjusted series is featured in a monthly press release but both versions are published in Commerce's *Business Conditions Digest* (BCD).

One interesting result of the comparison of the two indexes is the much earlier warning of the current recession provided by the new index even though the exact month in which the economic decline began has not yet been pinpointed. Inflation undoubtedly was a major factor in the distortions in the old index. Other problems that have been encountered in indicator analysis include extraneous disturbances, government activities and policies, and difficulty in distinguishing between "classical business cycles" and "growth cycles."

Subject to final approval of the BCD Advisory Committee, a group established by the Office of Management and Budget, the new index will be substituted for the old in a forthcoming edition of BCD, possibly the edition that comes off the press at the end of April. For comparison purposes, however, the old index will be made available to the news media and carried in BCD.

Substitution of the new index is expected to reduce the number of significant revisions required. Eleven and possibly 12 of the new series will be available each month at the time of the first announcement compared with eight or nine under the old system. As indicated by the list on the opposite page, only four of the old indicators will be retained.

Each of the series was scored on the basis of six characteristics:

- Economic significance—how well understood and how important is the role in business cycles of the variable represented by the data?
- Statistical adequacy—how well does the given series measure the economic variable or process in question?
- Conformity to historical business cycles—how regularly have the movements in the specific indicator reflected the general expansions and contractions in the economy at large?
- Timing at cyclical revivals and recessions—how consistently has the series led, coincided, or lagged at the successive business cycle turns?
- Smoothness—how promptly can a cyclical turn in the series be distinguished from directional changes due to short irregular movements?
- Currency—how promptly are the statistics available and how frequently are they reported?

In computing the weight of each series in the index, the first two characteristics, which are considered qualitative, were given about equal weight and together they make up about one-third of the total weight. The remaining four quantitative characteristics were weighted in the following descending order: timing, conformity, smoothness, and currency.

NEW INDICATORS

SERIES INCLUDED IN THE NEW INDEX OF 12 LEADING INDICATORS

BCD Series Number		Weight (score)
*1.	Average workweek of production workers, manufacturing	(73)
3.	Layoff rate, manufacturing (inverted)	(71)
*12.	Index of net business formation	(70)
*19.	Index of stock prices, 500 common stock	(80)
*29.	Index of new private housing units authorized by local building permits	(75)
32.	Vendor performance, percent of companies reporting slower deliveries	(69)
100.	Contract and orders for plant and equipment, 1967 dollars	(69)
X108.	Money balance (M1), 1967 dollars	(79)
136.	Percent change in total liquid assets	(69)
1700.	Net change in inventories on hand and on order in 1967 dollars (manufacturing and trade inventories plus unfilled orders excluding capital and defense goods)	(65)
213.	New orders for consumer goods and materials, 1967 dollars	(74)
201.	Percent change in sensitive prices (WPI of crude materials excluding food & feeds)	(70)

* Included in present composite index of leaders.

Newsmemo

Americans are getting 10 minutes less sunshine each day. Two Commerce Department meteorologists have concluded this after studying 23 years of sunshine detector data gathered from 103 stations at airports in the 48 contiguous states. The loss has occurred mostly in the fall, and it started in 1964, after 12 years in which there was no significant variation in the amount of sunshine. The scientists point to at least three factors--and say there can be others--for the loss of sunshine: 1) long-term climatic trends affecting cloudiness; 2) cloud buildup from the contrails of high-flying aircraft; 3) air pollution that affects the dawn-on and dusk-off operation of the sunshine detector switches.

A price-profit pinch is squeezing some of the alcohol out of brand-name liquors. Several major distillers have dropped down to 80 proof from 86 in a cost-cutting action. They have been reluctant to raise prices due to the discretionary nature of their product and intense market competition. Although the move brings some ingredient cost savings, the major effect is to reduce excise taxes. The federal excise tax on liquor is set at $10.50 per proof gallon (100 proof). The distiller of an 86 proof brand pays 86 percent of this or $9.03 per gallon; at 80 proof the tax drops 63 more cents. Based on estimated 1974 shipments, the move to 80 proof from 86 would have reduced excise taxes by $262 million overall.

Another competitive move by consumer goods producers who hesitate to raise prices is to shrink warranty periods. The highly competitive U.S. TV receiver industry has generally operated on a narrow profit margin. Individual makers who sought to widen the margin with higher prices have been unable to sustain them when competitors failed to follow suit. Major U.S. TV producers, to achieve or improve profitability, will reduce labor warranties on 1976 color sets from 12 months to 90 days. The change is expected to cut manufacturers' costs by about $10 a set.

U.S. enterprise can respond to an emergency. The well-publicized fire incident at a New York telephone switching center knocked out service to 170,000 phones. The Bell System mobilized 2,000 men in 12-hour shifts to clean, salvage, install and rewire the apparatus. New equipment came by air and truck from 13 plants. Scientists and engineers devised rehabilitation shortcuts. In 22 days a restoration of facilities was completed that is the equivalent of 18 months in new construction.

The picnic is over...we must export more to survive. The Eastern Regional Export Council, a business advisory group, is telling this story concisely in a new brochure intended for mass distribution. To Americans generally, the message is that the country's increased need for imported raw materials must be balanced by greater exports. To labor, the emphasis is on the one factory job in every six that is supported by export sales. For stockholders, the point is made that at least 6 cents of every dollar of corporate profits comes from exports. And for consumers, the story is that larger exports mean longer mass production runs, which bring down prices for everyone.

Homecoming for the traveler will be different this year, if he brings back, for example, gold or a late-model foreign car. Importation of gold without a license is now permitted. Gold is duty free but travelers importing gold or gold coins must declare them upon clearing Customs. For autos, the emissions control systems pose some procedural problems. The U.S. Customs Service has two pamphlets that will help, and both are free: "Customs Hints for Returning Residents--Know Before You Go" and "Importing A Car." Write the Service at P.O. Box 7118, Washington, D.C. 20044 or pick them up at a Customs Regional District Office.

Foreign affiliates of U.S. firms are reducing their capital spending plans. A recent report by Commerce's Bureau of Economic Analysis, compared to an earlier one based on estimates made six months ago, reflects economic slowdowns in the world's industrialized nations. Though expenditures for property, plant and equipment are expected to rise by 17 percent this year, any real growth in this total is canceled out by continued rapid inflation. Except for chemicals, the increase in planned spending is centered in the developing nations.

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U.S. Fish Processors Volunteering For Federal Inspection Service

An increasing number of U.S. fishing industry firms are subscribing to the various voluntary inspection services offered by Commerce's National Marine Fisheries Service.

While the Department of Agriculture and the Food and Drug Administration have been testing red meats, poultry, and other food products for many years, there is no mandatory inspection of fishery products in this country. First authorized in 1946, the voluntary inspections had been conducted by several federal agencies before arriving at NMFS, where the program was thoroughly overhauled and updated last year.

"We have developed new services and overhauled existing ones to fit the needs and pocketbooks of the smaller firms which make up such a large proportion of the fishing industry," says NMFS's Thomas J. Billy, who heads the program.

Reacting to the changes in the program, several leading fish processors have recently signed up: Van Camp Seafood and Westgate-California Foods became the first large producers of canned tuna to enter the product inspection program, and the Bellingham Cold Storage Co. of Bellingham, Wash., one of the nation's largest freezing and processing firms, has subscribed to the sanitary inspection of its facilities.

The inspection service benefits both the fisheries industry and the consumer. Of course, the most obvious benefit to industry is that it increases consumer confidence in its products. By complying with the requirements of the program, the processor is entitled to use the inspection mark and the shield on the products he markets, which increases their appeal to the consumer.

The inspection service also gives the businessman the opportunity to use the expertise available in the Department of Commerce in developing and improving quality control programs and also provides certificates of product quality which are recognized as evidence of fact in the courts. It gives a means of determining if the terms of contracts and purchase orders have been met and that a buyer has in fact gotten what he ordered.

The inspection service also gives a means of establishing the inventory loan value of products, assists in settling claims for damage to products during shipment, and gives a basis for resolving disputes over product quality.

More signing up

The revitalization of the inspection program has brought encouraging results. Since June the number of firms participating in the program has almost doubled and the outlook for more participation by the industry is encouraging.

In-plant product inspection is the most encompassing of the inspections and to some degree includes the other inspection services offered.

Any processor interested in Commerce's inspection services must submit a statement to that effect in writing and request that an initial plant survey be conducted. The National Marine Fisheries Service then arranges with the processor to conduct a survey of the facility. An inspector visits the facility and fully evaluates it regarding processing procedures, plant sanitation, and product quality. The inspector then prepares a confidential analysis of the situation as it exists, indentifies such appropriate changes as are deemed necessary to qualify the plant sanitarily, and an analysis of how the facility and

FACTORY CHECKOUT—*A Commerce inspector (right) inspects one of the processing lines at a Westgate-California Foods tuna cannery. Westgate is one of several major processors which have recently contracted for regular inspection of their products.*

products rank in regard to city, county, state, and federal requirements.

The analysis becomes the property of the client to use as he sees fit, and in no way obligates him to contract for inspection services. Initial plant surveys are conducted at a cost of $17.40 per hour, plus travel expenses for the surveying officials.

Depending on the size of the plant and the services wanted by the processor, the inspector may be in the plant from four hours a week to a full-time schedule of eight hours a day during the entire year.

The recently-introduced Sanitary Inspected Fish Establishment (SIFE) service centers on the plant itself rather than the items produced. The NMFS inspector works with plant personnel in conducting a series of sanitation surveys which pinpoint the strengths and weaknesses of the facility and the food processing system. He then proposes necessary improvements in hygienic conditions and practices. Once the weaknesses have been corrected he visits the plant once or twice a week to see that the conditions are maintained.

After all sanitary requirements are met, the company is awarded a certificate stating that its plant facilities meet federal requirements. The cost of the service is about $17.50 per hour.

When a plant meets NMFS requirements, it is eligible to contract for regular sanitation inspections. If there are several plants in the same area interested in inspection, mileage and inspector travel time costs can be prorated between them. Plants meeting all minimum sanitary requirements receive inspections for sanitation at a minimum of 12 hours per month at the same hourly rate. These plants are recognized as official establishment, are awarded a certificate attesting to their sanitation compliance, and are listed in a quarterly publication available to potential seafood buyers, such as schools, food chains, and government buying agencies.

What's available

A recent policy change now permits the use of *"Packed Under Federal Inspection"* (PUFI) mark on products which are not produced to meet U.S. Grade Standard requirements, even though a standard is available. This inspection mark indicates only that the product is safe, wholesome, has good flavor and odor, and was produced under inspection in an official establishment.

This new policy, for example, permits the use of the PUFI mark on fish sticks and portions which do not meet the fish flesh content requirement by the U.S. Grade Standard for those products. An approved list of these products is also maintained.

The PUFI service requires the presence of an inspector in the plant during the processing of products bearing the mark. If the company's own in-plant quality control system is certified by the NMFS Inspection Service, the number of hours necessary for the inspector to be onsite during the processing of products bearing the mark can be reduced, thus reducing the overall cost. The fee for the PUFI service is $13.90 per hour.

The *Product Grading Service* is available to processors in the PUFI program packing products for which there are U.S. Grade Standards, and allows the use of the U.S. Grade A shield on products meeting these standards. This service requires that an NMFS inspector perform the grading of the product. This service is provided at no added cost beyond the $13.90 per hour charged for the regular PUFI service. A buyer's guide is also maintained of these products.

Lot inspections are performed on specifiec lots of products. These products can be domestic or imported, as well as those prepared for export.

Lot inspections are used primarily by brokers and buyers of fisheries products in the distribution chain. These inspections are conducted anywhere in the United States, usually conducted in processing plants, warehouse, cold storage plants, or terminal markets. In a lot inspection, the inspector is concerned with the quality of the product and is not involved in processing or packaging of the product. He takes several samples of the raw product and examines them to determine the quality and condition of the lot.

An official certificate documenting the quality and condition of the lot is supplied the client upon completion of the inspection, usually within two days. These certificates have proven valuable in lawsuits over product quality and in-transit damage because they are accepted as "prima facie" evidence in U.S. courts. This service costs about $21 per hour, plus any necessary travel costs.

Wide-ranging advice

Consultative services are used by processors, packers, and brokers who contract for specific services such as product development, processing techniques and control procedures, plant design, product specification development and government regulations and their interpretation. This is normally a one-time service, and costs about $17.50 per hour.

Federal Inspection Marks

Federal inspection marks are official marks approved by the Secretary of Commerce and authorized for use on brand labels of fishery products. When displayed on product labels, these marks signify that federal inspectors of the Department of Commerce inspected, graded and certified the products.

The distinctive inspection marks are symbols which signify two distinct but related functions in guiding the consumer to safe, wholesome products produced in a sanitary environment and packed in accordance with uniform quality standards under the supervision of Commerce's voluntary inspection service.

- The "U.S. Grade" mark signifies that:

1. The product is clean, safe, and wholesome.

2. The product is of a specified quality, identified by the appropriate U.S. Grade designation, as determined by a federal inspector in accordance with established standards. Grade A means products are uniform in size, practically free of blemishes and defects, in excellent condition, and possess good flavor for the species. Grade B means products are not as uniform in size or as free from blemishes. Grade B may be termed a general commercial grade, quite suitable for most purposes. Grade C means fairly good quality. Grade C products are just as wholesome and are generally as nutritious as higher grades. Grade C products have a definite value as a thrifty buy for use where appearance is not an important factor. Products of Grade B and Grade C quality usually are marketed without any grade designation.

3. The product was produced in an acceptable establishment, with proper equipment, and in an appropriate processing environment.

4. The product was processed under supervision by federal food inspectors and packed by sanitary food handlers in accordance with specific Good Manufacturing Practice requirements.

5. The product is truthfully and accurately labeled as to common or useful name, optional ingredients, and quantity.

- "Packed Under Federal Inspection" may be displayed as an official mark or as an official statement on the product label. The mark or statement signifies that the properly labeled product is clean, safe, and wholesome and has been produced in an acceptable establishment with appropriate equipment under the supervision of federal inspectors. The product has not been graded as to a specific quality level; rather, it is an acceptable commercial quality as determined by federal inspectors in accordance with approved standards or specifications.

Lab services. The NMFS laboratory can also perform the full spectrum of chemical and bacteriological analyses associated with fishery products. Rates are competitive with private laboratory fees. The results of all cases are provided on a timely basis in fully documented official laboratory forms.

NMFS recently surveyed the individual states to detect any possible interest in a cooperative state/federal inspection program. Twenty-four states have expressed a positive interest.

The National Marine Fisheries Service has a National Import Lot Inspection Network of particular interest to U.S. importers and firms wishing to enter the U.S. market. The network provides the following services:

- Technical assistance to develop purchasing, processing, and endproduct specifications or purchase contracts for producers and shippers. These specifications help the processor or shipper assure U.S. importers that their products comply with FDA requirements.
- Inspection of fishery products after they enter the United States to determine compliance with the importer's requirements, and certification of such compliance.
- Pretesting and analysis of seafood products for micro-organisms, species identification and chemical and biological information that may be needed.

SPECIAL HELP—*Consultative services help companies in such areas as product development, processing techniques, plant design, control procedures and product specifications.*

How To Apply

Inquiries regarding inspection services may be directed to any of the following offices of NMFS's Fishery Products Inspection and Safety Division:

P.O. Box 1188, Emerson Ave.
Gloucester, Massachusetts 01930
(617) 281-0330

9450 Gandy Blvd., Federal Office Bldg.
St. Petersburg, Florida 33702
(813) 803-3155

4747 Eastern Ave., Bldg. 7
Bell, California 90201
(213) 266-6317

P.O. Box 1688
Juneau, Alaska 99801
(917) 586-7221

Room 300
Page Bldg. No. 2
3300 Whitehaven St., NW.,
Washington, D.C. 20235
(202) 634-7458

National Fishery Products Inspection and Safety Lab.
3209 Frederic St.,
P.O. Drawer 1207
Pascagoula, Mississippi 39567
(601) 762-4591

Benefits

Inspection and certification of imported products under well-defined requirements will help establish and maintain product integrity in U.S. markets. Certificates prepared and issued by the NMFS inspection service are legal documents accepted in any U.S. courts are "prima facie" legal evidence. The certificates can ease entry by serving as part of the documentation providing history of product characteristics at the time of examination; for example, quantity, net weight, wholesomeness and safety, quality, and condition.

Export service

NMFS also helps U.S. exporters maintain and verify the quality of their products through voluntary inspection services. These are basically the same as the fee-for-service programs for domestic processors.

The service sets grade standards which indicate the quality level of fishery products (Grade A, B, or C). Grading is not required for exported products. However, quality standards provide information which foreign buyers can use in determining the acceptability of products.

U.S. exporters may arrange for contract inspection at their plants or for lot inspection at their plants or for lot inspection at any point before shipment. Products which are processed under contract inspection and controlled conditions can qualify to use the federal inspection mark on their labels.

The exporter may set his own specifications for inspection and certification. Inspections will be made and documents issued which verify that the product was processed in compliance with the specifications set by the exporter or by the foreign buyer.

Fishery products can also be inspected and certified to be in compliance with "Recommended General Principals of Good Hygiene." These principals are a general requirement for environmental hygiene and sanitation in the processing of food. These and other international standards can serve as useful specifications for the U.S. exporter and his customer in foreign countries.

The National Maritime Fisheries Service offers additional assistance to exporters. The service will review product labels upon request and will furnish technical information regarding definitions and standards. Finally, the service can arrange to certify the export products have met requirements of the country of destination, thereby simplifying procedures after arrival there.

Fishery product inspection and a document of certification provide an unbiased statement of what a shipment contains, its condition, or the conditions under which it was processed. The document normally eases the acceptance of the product at the buying country.

Chronically Stagnant Area Hopes To Rebound With Rest Of Economy

In a nine-county coastal area in North Carolina, the current recession is a source of hope, despite its present unemployment and hardships.

Traditionally, the area is a tobacco-growing section, and it ties to the bright-leaf toboccao plant go back to America's earliest settlers. The section is still producing tobacco on the same scale as before. But the partnership of the Federal Government and state and local resources and initiative has helped to build a balance between agriculture and industry from which a rebound can be made when the economic breezes blow prospects of better times.

Pointing to plant layoffs and an unemployment rate above the national average, J. Roy Fogle, Executive Director of the Neuse River Council of Governments, says: "Things are not so good right now, as in so much of the country. But when the recession is over, we shall be ready to go forward again. A lot of public service jobs are coming into the area, and our unemployment rate probably will go down."

Reason for optimism

A major reason for the optimistic tone for the future is the aid given by Commerce's Economic Development Administration (EDA), which thus far has approved nearly $24 million for select projects in the area. These funds, combined with money supplied by the State of North Carolina and local sources, have helped local communities substantially in their self-improvement efforts.

The counties in the area are Carteret, Duplin, Greene, Jones and Pamlico, all EDA "redevelopment areas," and Craven, Lenoir, Onslow, and Wayne. EDA "growth centers" in the area are Goldsboro, Jacksonville, Kinston, and New Bern.

In EDA terminology, a redevelopment area is one that qualifies statistically for aid because of high unemployment, low average family income, outmigration, for example, and that prepares an overall economic development program which proves acceptable. A growth center is a communuity of up to 250,000 population capable of being built up to provide jobs and services for the surrounding area.

The North Carolina coastal area qualified for EDA assistance in a large degree because of high unemployment due to the displacement of workers by the mechanization of farming. As a result, these workers faced an uncertain future of sustained unemployment or migration to more promising areas.

In 1967, a group of leaders in the area began organizing to develop an orderly program for improvement. They formed the Neuse River Economic Development District. Later it became the Neuse River Regional Planning and Development Council. Then in 1972 it was reorganized under state legislation as the Neuse River Council of Governments.

Upward thrust

As a result of the changes that have been made in the intervening years, today many formerly unskilled workers are operating heavy-duty machines at industrial plants near their homes. Scores of school dropouts, who had little to look forward to in past years, are learning skills for jobs paying up to $10,000 a year. Numbers of minority workers, who lived in substandard housing on the edge of towns, are buying modern subdivision homes.

Since 1972 and up until the recent slump in economic activity, 15 new plants had been opened in the area and expansions had been made at other plants, and nearly 7,300 new jobs had been created.

The EDA has assisted in providing a

SENDING GOODS ABROAD—*Seaman watches as a cargo of the North Carolina coastal area's raw sulfur is loaded aboard ship for export. Economic diversification effort has lessened area's dependence on farming, and brightened prospects for a post-recession upswing.*

number of water and sewage treatment systems in the area, and in expanding existing systems. These projects have helped to attract industry to the region. Likewise, the EDA has helped to build or expand vocational-technical schools, which are proving of great benefit in training workers for jobs in industry.

Two vocational-technical schools have been expanded with the help of EDA grants and a third has been provided with water services, allowing it to increase its enrollment. The schools serve nearly 2,000 full-time students and thousands of part-time students.

One of the enlarged schools is the Carteret Technical Institute at Morehead City, which can now accomodate an additional 200 full-time students. Its graduates are in demand at aircraft and ship repair operations all over eastern North Carolina.

The other enlarged school is the James Sprunt Institute, near Kenansville in Duplin County. A 17,000-square-foot addition to the school was constructed. The added training capacity encouraged a textile mill to locate in the adjacent area.

Ground has been broken for a fourth vocational school at Alliance in Pamlico county, and construction is expected to be completed in time for the 1976-77 school year. EDA approved a $500,000 grant for this project, and substantially more than this amount was put up by the Coastal Plains Regional Commission and state and local governments. The school is expected to serve about 1,200 students in a 20-mile area.

The continued emphasis on manpower training is shown in the philosophy established by the directors of the Neuse River Council of Governments. This principle is that growth centers provide the means for utilizing trained unemployed and underemployed persons in the quickest manner and in the largest numbers.

Almost all of the new jobs developed in the area have been in the growth centers and in smaller communities which have obtained improved water and sewer facilities.

A project soon to come into existence in the area is a State Marine Resource Center at Bogue Banks. It is destined to open this spring, and will be a marine research facility and a means of instruction to students. A 100-acre site overlooking both the Atlantic Ocean and Bogue Sound has been reserved for the center, which will specialize in the marine resources of North Carolina's 1,000-mile tidal shoreline.

An industrial project of major importance is a plant of the Texfi Corporation at Kinston. This project was assisted by an EDA grant helping to extend water and sewer control facilities to industrial sites in Kinston and to the local community college. Previously, a Texfi Corporation plant was established at New Bern with EDA assistance, and a grant to the city of Goldsboro for water system improvements has allowed construction of a Texfi textile printing plant which is expected to serve as the foundation for new housing development in the city.

TRAINED WORKERS—*Upgrading and expanding the technical schools of the nine-county area has made firms more willing to locate there because they know there will be an adequate supply of capable workers. EDA grants have helped improve the schools.*

One of the problems along the coast has been pollution, which forced oyster beds to be sealed off. In a small town in Carteret county, pollution of the Newport River forced out of work men who historically had harvested oysters for a livelihood. Although a source of pollution had been identified, the town was unable to pay the total cost of a sewage treatment system. A plan was put together which included grants from the state, EDA, and the U.S. Environmental Protection Agency, and a loan from the U.S. Department of Housing and Urban Development.

In consequence, progress has been made in cleaning up the oyster beds, and hopefully the oystermen will be able to return to their traditional jobs.

Historic turnabout

A few statistics will help to point up the change that has come about in the North Carolina coastal area. In 1962, farming retained its historic position as the chief provided of jobs, accounting for 29.1 percent of all employment. Ranked behind it were trades and services at 18.3 percent, government at 16.6 percent, and manufacturing, at 13.2 percent. Within a few years, the region felt the effects of mechanization and farm employment slipped to fourth place, providing only 14.3 percent of the jobs. Trades and services jumped to first place with 23.3 percent, followed by government with 21.8 percent, and manufacturing with 18.3 percent.

Greene County, which once had the lowest per capita income in the state, is regarded as an example of the transition from farm to manufacturing employment. Melvin Oliver, Mayor of Snow Hill, says "We have no choice but to accept change. Farm employment was down and the demand for public services was increasing. The burden of supporting these services was driving away the people who still could pay taxes."

By pledging the local share of receipts of a state-controlled liquor store in Snow Hill, the town built a water tower to attract its first industry, a textile operation, and touched off a string of events which has resulted in the location there of four additional plants and about 500 jobs in manufacturing.

The last to arrive was the GSH Corporation of Indiana, a producer of rubber products for aerospace vehicles and automobiles. Its plant was constructed after EDA helped Snow Hill to make additional water system expansions to provide adequate fire protection.

The progress that has been made in the area by the Neuse River Council of Governments, with some outside help, rates as a show window of economic development in North Carolina.

Industrial Applications Growing As Computer Use Goes Worldwide

With relatively little fanfare, nations are increasingly beginning to determine how best to use the enormous potential of the evolving computer and telecommunications technologies.

There is growing recognition, says Dr. John M. Richardson, Acting Director of Commerce's Office of Telecommunications, that the potential benefits derivable from these technologies—like electronic mail, home education, library, news and medical services—are not likely to occur unless high level decision makers become sensitive to the impact of their policies.

In advanced developed nations scores of new industries have been spawned from these technologies including software developers, information management services, data base disseminators, word processing and text editing, specialized communications carriers, and computer-communications networks.

Simultaneously, new applications are being found in traditional industries at a breathtaking pace. These range from insurance providers, medical research and library information dissemination, to education, banking, drivers license record-keeping, and stock market quotes.

Some established industries could not survive without the new technology, such as the world's airline reservation systems, and the check processing and funds transfer systems of American banks. Many industries simply could not cope with the volume of transactions required without the benefit of modern computer-telecommunications.

For example:

- Some 170 airlines world-wide make hundreds of millions of data entries annually for seat reservations, boardings at airports and freight shipping—typically obtaining confirmations within minutes;
- Computer-communications process over 30 billion checks annually in the U.S. alone, and these are expected to grow to 45 billion by 1980. New systems installed in the United States will be capable of transferring bank funds up to 40 times faster than current systems;
- A Medical Literature Analysis and Retrieval System (MEDLARS) contains over two million bibliographic medical citations, and entries are growing by 220,000 per year. The system links over 240 institutions, accommodates more than 30,000 searches per month, and serves the United States, Europe, Australia and Latin America;
- Newspapers are finding that computer-telecommunications technology can substantially reduce labor and time requirements not only for traditionally labor-intensive typesetting, but also in getting news from the reporter into central storage at the newsroom. Labor savings for typesetting alone are expected to top 50 percent;
- Electronic movement of information is becoming competitive with conventional paper-oriented systems. Computer storage of information is becoming far less expensive than the cost of printing and storage on paper. Some analysts project a decline in the use of paper by 1980, and that its use will be limited to highly specialized purposes by 1990. A decrease in the need for human travel for information exchange is also projected.

LONG DISTANCE TUNEUP—*Dispatcher mans airport-like control booth overlooking service area at one of 850 U.S. auto dealerships which use computerized programs from the world-wide GE Mark III information services network to diagnose complex vehicle problems. More commercial uses are being found for computers every day.*

Steep growth trend

The net impact of these technologies on the world's economies is difficult to assess, but probably measures in terms of many billions of dollars annually. Curves depicting the growth rate of new applications and new software sales suggest a continual and steeper trend toward dependence on these and related technologies.

As an indication, computer and related equipment sales in 19 countries are expected to grow as follows over the 1972-77 period: minicomputers, 301 percent; independent peripheral sales, 314 percent; data transmission equipment, 534 percent; small and medium computers, 184 percent; and a total market increase of 252 percent.

For most of the developed countries, annual expenditures for computers and telecommunications hardware together amount to almost 1 percent of the national gross domestic product.

Accurate prediction has proven extremely difficult in the computer area. However, while recognizing the problems of forecasting, there is considerable evidence to suggest that electronic mail, library, health, and banking services, along with electronic local news and shopping, appointment reminders and some form of picture telephone service will be among the services widely available in the home or local community soon—perhaps some of them within a decade. Some, in fact, are already available on a limited scale in a few areas of the United States.

'Portable office'

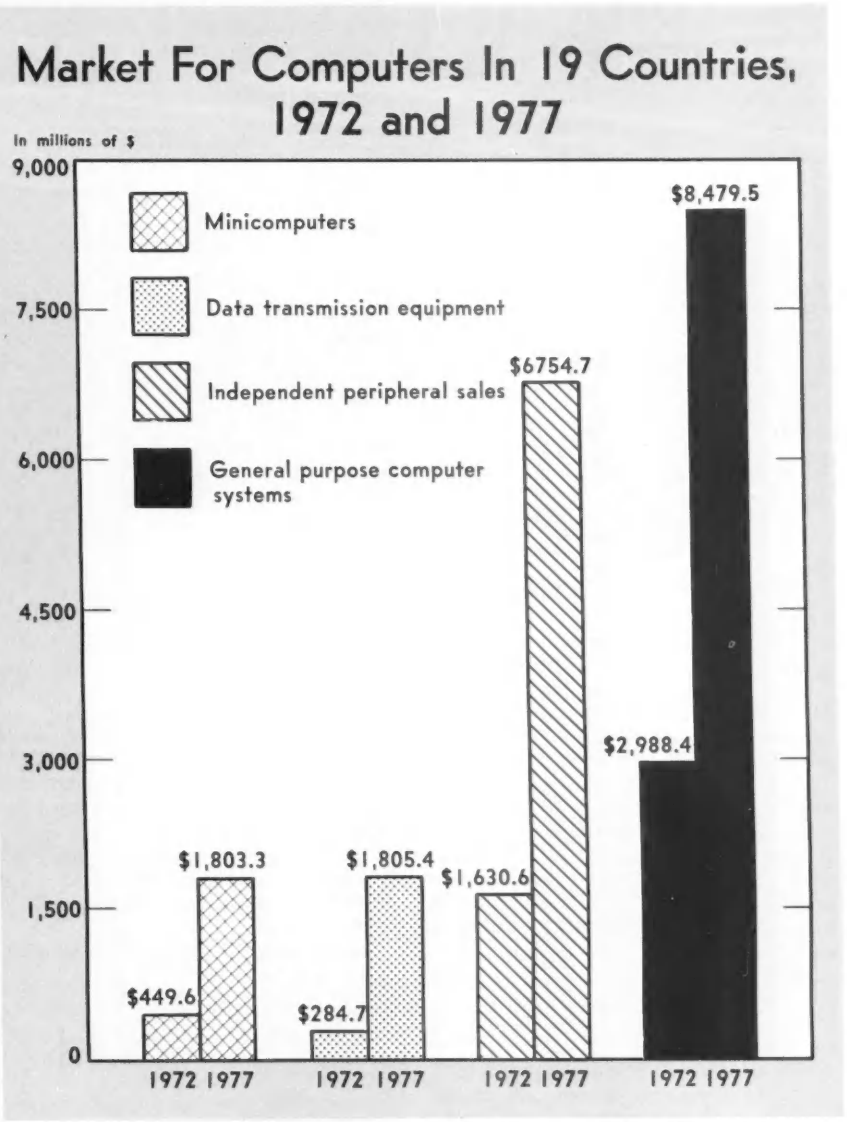
One of the most anxiously awaited breakthroughs is the capability of providing a "portable office," so that a significant portion of the nation's work force will be able to work virtually independent of the central office.

These expanding applications will not only result in more technology, more perplexing machines, and more economic growth. When viewed in terms of the long-term shifts in the nation's labor force, and the stimulus of the information explosion, these new technologies offer hope of significantly improving productivity and the quality of life.

For example, in this century the proportion of the U.S. labor force associated with the services sector has increased from 5 percent to more than 60 percent. In contrast, manufacturing has maintained a reasonably constant 35 percent of the labor force while the extractive sector has shrunk from more than 50 percent to 5 percent.

It is the growing services sector that is both largely responsible for the massive increase in information (advertisers, government workers, consultants, publishers), and most amenable to productivity gains through the application of the tools of information management—one of the offshoots of the computer and telecommunications technologies. More recently, some analysts suggest that perhaps 50 percent of the U.S. labor force is already involved in the information industry.

Nations are increasingly recognizing the basic value of these technologies in fostering development. Interest in domestic communications satellites has burgeoned in the past few years. Canada launched the first free-world domestic satellite, followed by the United States and the French-German launch; and there are strong indications of serious interest by Indonesia, Iran, Australia, Brazil, the Arab Union and others. The market for communications satellites, earth terminals, and related equipment and services is growing apace, as is international competition for satisfying the demand.



A recent study of national investments in telecommunications and in computers in the United States, the United Kingdom, France, and Germany indicates the magnitude of resources being allocated. For telecommunications, these range between 2 and 4 percent of total investments for these countries, and between 1 percent and 4 percent for data processing investments. National motivations for adopting such systems vary widely with the degree of current development and aspirations for social and economic improvement.

Costs for computer and telecommunications systems have dropped in the past decade, greatly increasing the world market. Quite aside from the developed nations' need to satisfy the great demand for information transfer, other countries perceive these technologies as vital to their development—that is, they feel that their future growth and well-being are at least partly dependent on the capabilities available only through computers and telecommunications.

Policies developing

One of the important current results of these trends is a renewed interest in domestic and international policies. Much of the world finds itself poorly-equipped in terms of administrative, regulatory, economic and science policy structures to integrate the rapidly growing computer-communications applications.

In contrast, telecommunications, with its' 100-year history, is generally well institutionalized—but designed for an era of voice communications and slowly evolving technology. The rate of technological advance suggests even more pressures for adjusting national policies to shifting public and business demands.

Consequently, concern has begun to

MAN IN THE MIDDLE—*Computer networks have become so highly-developed that, from practically anywhere on the globe, persons can get access to enormous amounts of stored data from hundreds of computers located all around the world.*

turn to how to retrench so that domestic and global interests can best be served. A great deal is at stake for the world, since narrow-perspectives can lead to short-term gains at a cost of serious constraints on the general utility of the technology.

Some countries, such as Japan, note potential new business opportunities for using computer-telecommunications as a means of substantially improving the quality of life within the nation. In fact, two new Japanese towns are being equipped with experimental home interactive telecommunications terminals, to assess their acceptability and value. Among other things these systems will be able to print newspapers in the home, survey viewers' opinions and permit program origination from schools and homes. Related experiments are under way in the United States.

Potential relief from pollution, congestion, and economic vulnerability to scarce resources is envisioned in well-developed, information-based societies. Such societies are likely to be less dependent on heavy industry, significant work travel, and finite resources such as oil, paper and copper.

Canada is in the process of adopting computer-telecommunications policies which are also geared to both the national economy and to broad social benefit objectives. France, West Germany, Denmark, and other Western European countries are providing indications of similar concerns. The number of international conferences on aspects of this subject has been growing over the past few years, with a notable extension from relatively technical and futuristic themes to more recent focus on national and international policies.

In February, the Organization for Economic Cooperation and Development hosted an international Conference on Computer-Telecommunications Policy in Paris which attracted 230 government attendees from the two dozen OECD member nations. Among them were high level officials with responsibilities as diverse as health and mail delivery, justice, budget bureaus, research and commerce.

The OECD Conference served to expose the officials to the social impacts, resource allocation patterns, and institutional structures that nations could realize through computers and telecommunications.

The conference provided for the first time, an all-government, international forum at which some inherently sensitive policy issues were laid open to discussion. One observer remarked that seldom has the world tried to take such a long-term, broad perspective view of technologies.

There is no shortage of complicated domestic issues that each nation will have to sort out before workable national policies become a reality. Dr. Richardson notes that the pioneering OECD conference is a likely prelude to far more intensive international scrutiny into policies that result in: suitable balances between social and economic benefit; shielding of national economic and technological interests from foreign dominance; and avoidance of major disruptions in existing institutional and legal structures.

These trends imply a rapid increase during the coming decade in the number of national policies on computer-telecommunications, and hopefully in the ultimate range of benefits to mankind.

Worldwide Systems

During the past few years a number of pioneering international computer-communications systems have come into being. Some others, beside the international airlines system and MEDLARS mentioned earlier, which offer selected teleprocessing and information management services across national boundaries, are:

SWIFT (Society for World Interbank Financial Telecommunications) an extensive network for international payments and financial data. It serves 239 member banks in 13 European countries, Canada, and the United States.

COST 11 (Cooperation in Scientific and Technical Research), which links data processing centers in various European countries including France, Italy, Switzerland, and the United Kingdom. The system facilitates the investigation of large computer multiprocessing systems for resource-sharing.

GENERAL ELECTRIC'S INFORMATION SERVICE, a commercial network linking over 400 cities in North America, Australia, Japan, and Europe. The network allows users to make a local telephone call and connect to the main computing facilities. The services range from interactive time sharing to batch processing.

TYMNET provides time-shared services to as many as 90 individual users simultaneously. The system serves more than 50 U.S. cities and has a link to Paris. Customers can access the system's three major computing centers or use the TYMNET as a communications service.

ARPANET is providing computing services in the United States, Norway, and the United Kingdom for scientific purposes. The system has over 50 computers connected to each other and to more than 500 terminals.

Energy Management Digest

A COMPUTER IN YOUR TANK?...Tony the Tiger may have to move over for a 6,000-transistor miniature computer occupying less than a quarter of a square inch. RCA Chairman Robert W. Sarnoff says that tests of the tiny device, called a microprocessor, indicate that it can boost mileage by up to 40 percent in standard size and large cars. "Installed in a car with the appropriate link-ups, it will automatically adjust both choke and throttle for maximum starting efficiency; it will run the motor at the right fuel mixture for highest fuel savings, and automatically shift gears at precisely the right time for optimum fuel efficiency," he explained. Probable cost? "No more than $100 a unit."

WHERE TO PUT IT?...One of the most nagging questions about nuclear energy, "What's to become of the highly-radioactive wastes?", gets at least a partial answer in a study released by the Energy Research and Development Administration. The report projects the amount of spent fuel from nuclear reactors expected through 1984, as well as the actual and potential capacity for storing and processing it. After usage, spent fuels are sent to reprocessing plants, where the usable uranium and plutonium portions they contain are recovered. However, there are currently none of these reprocessing plants operating in this country, and the nuclear power plants have only limited capacity for storing their spent fuel until such plants are available. Delays in availability of these plants aroused concern in both industry and government, and the just-released report is intended to serve as a common data base enabling them to assess the situation and plan remedial action.

PHYSICISTS' STUDY AVAILABLE...An advance summary of the results of an American Physical Society study on "Technical Aspects of Efficient Energy Utilization" now is available from the Federal Energy Administration's Energy Conservation Buildings Branch. Some 30 physicists and engineers participated in the study at Princeton University last summer. Participants examined the fundamental physical basis for energy efficiency analysis, opportunities for basic scientific and technical research, the fundamental physical processes in combustion and the transfer of energy through windows. Results of the entire study will be published in three volumes by the Government Printing Office later this year. For copies of the summary, write FEA, Room 7150, Wash., D.C. 20461, Attn: Dr. Kurt Riegel.

BLACK ENERGY EVENTS...FEA is offering a weekly summary of energy news to black newspapers, radio stations, and colleges. Also, at a White House briefing for 200 black newspaper publishers, top energy officials explained the President's energy conservation proposals as beneficial to both low- and middle-income blacks. The President is asking Congress for $55 million to establish direct subsidies to help low-income citizens and the elderly to pay for weatherproofing their homes. For more information on the energy situation and blacks, write Gerald Jackson, Federal Energy Administration, Room 238-OPO, Washington, D.C. 20461.

WOMEN VOTERS ELECT ENERGY...Delegates to the League of Women Voters' 1974 Convention found that every aspect of national policy they cared most about directly involved energy. Through the League's Education Fund, an Energy Task Force is promoting energy awareness and training chapters to focus community interest on regional and local energy problems. The League is sponsoring seven regional conferences across the country this spring, and many local chapters are holding grassroots seminars. Fifteen fact sheets on energy sources and uses have been published by the League. Copies can be obtained for a minimal charge from: League of Women Voters, 1730 M Street, N.W., Washington, D.C. 20036.

SOLAR WORKSHOP...Scientists and engineers involved in solar energy research will participate in a three-day workshop on solar energy storage for the heating and cooling of buildings starting April 16 at the University of Virginia in Charlottesville. The workshop will focus on storage subsystems that use air or liquids heated by solar collectors and that are used directly for heating and cooling buildings. The concept does not involve the conversion of solar energy into electrical power.

Domestic Production, Use Of Fossil Fuels Dipped Significantly During 1974

Domestic production and consumption of fossil fuels declined 3.0 and 3.1 percent respectively in 1974, according to the Federal Energy Administration.

FEA's latest quarterly report to Congress contains data for the fourth quarter of 1974 and for the entire year.

"This report shows," said FEA Administrator Frank G. Zarb, "that 1974 domestic energy price increases have resulted in significant energy savings without causing painful shortages."

The FEA report also found that domestic crude oil production in 1974 declined steadily to an average of 4.5 percent below the 1973 level. Total petroleum supply dropped 3.4 percent from 1973. Domestic demand for petroleum, calculated by FEA on a Bureau of Mines basis and reflecting a buildup of stocks in 1974, declined 3.8 percent from 1973. Net imports of petroleum decreased 3.3 percent.

Coal production in 1974 was less than three-tenths of 1 percent below the 1973 level and would have been 6 percent higher than in 1973 had it not been for the coal strike and the five-day miners' memorial holiday. Net coal exports increased 9.7 percent, while total coal supply declined 1.4 percent.

Natural gas and natural gas liquids production in 1974 was 3 percent and 2.2 percent, respectively, below 1973 levels. Net natural gas imports declined 10.2 percent, while total natural gas supply dropped 3.7 percent.

All indices of oil and gas exploration were up. The average number of rigs in operation was up 24 percent over 1973 and number of wells drilled (exploratory wells for new pools of oil or gas and development wells in existing pools, including dry holes) was up 19.6 percent. Oil wells brought in (exploratory and development, excluding dry holes) increased 28.4 percent, gas wells brought in increased 12.5 percent, reaching an all-time high of 7,182. The number of successful exploratory wells for new pools increased 31.3 percent for oil and 30.6 percent for gas.

Although the number of oil and gas wells drilled in 1974 was up 19.6 percent, the footage drilled rose only 11 percent. Consequently, there was a 7.2 percent decrease in the average depth of a well. This suggests that most drilling activity was aimed at testing shallow structures in areas where past experience indicates that the reservoirs discovered are likely to be small. Thus, proven reserves of oil or gas may well turn out to be lower in 1974 than in 1973.

Although natural gas discoveries appear to have increased substantially in 1974, it will be some time before the results will have a significant impact upon supply. Meanwhile, natural gas imports declined 7.5 percent from last year due to Canadian export restrictions.

Although utility sales of gas declined along with marketed production, revenues rose, due to rate increases and a shift from interruptible sales to higher-priced firm service.

Fourth quarter 1974 domestic demand for petroleum products was 17,281,000 barrels per day, slightly below the average for the fourth quarter of 1973 when the effects of the oil embargo were beginning to be felt. It was also 3.3 percent below a previous forecast made by FEA in April.

Total imports of crude oil and products for the fourth quarter were within 1 percent of 1973 levels, although the composition of the imports changed—with product imports down 18 percent and crude oil imports up by the same percentage.

Fourth quarter coal and lignite production was down 16 percent from the fourth quarter of 1973, due to the loss of about 30 million tons during the coal strike.

Marketed production of natural gas in the fourth quarter continued to decline, averaging 2.6 percent below 1973, although production was slightly above the third quarter 1974 level, a normal seasonal change.

FEA's quarterly report to Congress is prepared on a regular basis in compliance with provisions of the Energy Supply and Environmental Coordination Act of 1974. It contains separate sections on resource development, coal, natural gas, crude oil, refined petroleum products, and nuclear energy.

The report will be available in three to four weeks. Public copies will be sold by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Study Seeks Way To Save Energy For Peak Demand

A study of advanced energy storage systems, designed to determine the most practical applications for utility electrical generating systems, is being cosponsored by the Energy Research and Development Administration and the Electric Power Research Institute.

Public Service Electric and Gas Company (PSE&G) of Newark, N.J., is directing the study which is expected to last nine to twelve months. PSE&G will be assisted by Battelle Laboratories of Columbus, Ohio, and the GPU Service Corp. of Reading, Pa.

The study will identify and evaluate all the available energy storage concepts including batteries, hydrogen storage, compressed air, pumped hydro, flywheels, superconducting magnets and heat storage systems.

ERDA and EPRI are financing the $286,000 study because effective energy storage can significantly improve the performance of utility electrical systems. When utilities can store energy generated during periods of low demand for use later during peak periods, large electrical generators can be operated more efficiently and expensive oil- and gas-fired peaking units can be eliminated. In addition, such storage systems can reduce the need for additional electrical transmission and distribution facilities.

Today, the only energy-storage system in large-scale use involves the pumping of water into reservoirs for later discharge through turbine generators. There are limited opportunities for new sites where this pumped hydro-storage would be acceptable.

Industry Highlights

Commerce, Industry Seek To End Castings Shortage

(Industry Highlights is prepared by the Office of Business Research and Analysis, Bureau of Domestic Commerce.)

A recent report on the foundry industry by Commerce's Bureau of Domestic Commerce has found that the shortage of castings is due to a multitude of causes: lack of raw materials, labor, capital, and lack of capacity. The study was undertaken to isolate the factors affecting the availability of castings for Project Independence and to suggest corrective actions, according to Robert E. Curran of the Office of Business Research and Analysis.

Analysis of the industry led to three major findings:

- Jobbing foundries produce most of the castings needed to maintain and increase production of domestic energy, as well as that needed for the conunued health of the rest of basic U.S. industry;
- Shortages of castings are partially due to shortages of required inputs needed by the foundry industry. Current shortages of raw materials and high costs of capital have discouraged expansion of capacity, which is the principal reason for the shortage of large, heavy steel castings;
- Government legislation, regulations and policies have had an adverse effect on the supply of castings. These effects are felt directly by the foundries and also by the producers of the raw material for foundries.

The study determined that in the near-term the production of castings will continue to be constrained by the availability of foundry coke, merchant pig iron, ferroalloys, furan resin binders, ferrous scrap of adequate metallurgical quality, labor and capital.

One of basic industries

The foundry industry is one of the nation's most basic industries, comprising about 4,500 jobbing and captive plants producing up to 22 million tons of all types of castings annually having a value in excess of $13 billion. It employs over 400,000 production workers. Foundry products become components of such diverse facilities and equipment as military tanks and ships; oil and natural gas exploratory, production, processing and distribution facilities and equipment; electrical power generation and distribution facilities and equipment; coal mining equipment; agriculture machinery and equipment; railway equipment and construction and mining machinery.

From 1968 to 1974 there were closings of 360 foundry plants, expansions in 65 plants and 56 new foundries built. However, aggregate industry productivity increased due to improvements within the industry.

Iron and steel foundries directly contribute to 133 of the 367 segments of the economy. These foundries in turn receive inputs from 128 segments.

Industry survey data and Bureau of Census figures on foundry shipments differ, with industry data showing increased shipments while Census figures show some major declines.

A qualitative estimate by BDC, with which some industry sources disagree, is that production of the small and medium-sized jobbing foundries could be increased within existing production facilities by adding additional shifts. Required raw materials, labor and the financing needed to meet Environmental Protection Agency and Occupational Safety and Health Administration requirements must be made available if this production increase is to be realized.

Commerce recommendations

The Commerce study included several recommendations of potential actions which would help alleviate the castings shortage:

1) Commerce should meet with foundry supplier groups (ferroalloys, coke, merchant pig iron, and others) to identify incentives for increasing supplies to foundries;

2) The Commerce Department's Economic Development Administration local investment programs should give high priority to modernizing and upgrading foundries;

3) Further investigation with industry should be undertaken to determine (a) the impact of pending new source emission standards as applied to plant modification or technology improvements and (b) an equitable basis to apply Environmental Protection Agency standards to intermittent foundry operations;

4) The EPA regulations permitting small business loans for water pollution equipment purchases should be extended to also cover air pollution equipment purchases;

5) EPA and the Occupational Safety and Health Administration should be requested to establish an independent appeal mechanism to which foundries threatened with shutdown could appeal. This appellate body in deciding cases should consider national needs (defense, energy, industry requirements), local conditions (economic, environmental), and financial condition of the individual firm;

6) Internal Revenue Service regulations should be revised to enable investments in "non-productive" equipment to be expensed or written-off at a more rapid rate than currently permitted;

7) The Energy Research and Development Administration should target a significant portion of its R&D program on environmental and energy-related problems of industry (such as cupola heat regeneration and air pollution technology);

8) Federal specifications for castings should be examined for the purpose of simplifying and consolidating them;

9) The Standard Industrial Classification should be revised to enable government to gather data more relevant to current and future government and industry needs;

10) The President's work-relevant college program and revenue-sharing manpower programs should emphasize foundry needs.

Shortage explained

Representatives of the foundry industry met with former Commerce Secretary Den February 5 to acquaint the government with problems that led to the shortage of castings. The industry spokesmen said they felt that, in view of economic conditions, capital expenditures would be more meaningful if invested in new or expanded capacity rather than in non-productive pollution control equipment. They also pointed out that operation of pollution control equipment required much energy, already in short supply.

The following remedies were suggested in a legislative position paper prepared by the Cast Metals Federation and presented to members of Congress at a Congressional breakfast that was held on February 19:

- A five year moratorium, with qualifications, on EPA and OSHA to (a) establish realistic standards, (b) determine whether other more serious problems are created by compliance with these standards, (c) develop standards with reproducible results, and (d) permit capital to be invested in hardware and processes needed to gain productivity;
- Conduct economic impact studies for the industry by an agency other than those who set standards;
- Conduct realistic economic studies as to what level of control efficiency is most practical to achieve.
- Quick write-off or other subsidy for the high cost of environmental control;
- Investment allowance and accelerated write-off for capacity expansion, and
- Conduct energy impact studies of proposed or existing regulations.

New Tax Bill Provisions Affect Business

Major provisions of the recently-enacted tax bill relating to business include, in summary form:

Investment credit

—two year increase in investment credit from 7 percent (4 percent in the case of public utilities) to 10 percent. Upon lapse of the temporary increase, public utilities would again be eligible for a 4 percent credit only.

—additional 1 percent credit (for a total of 11 percent) during the two-year temporary period for corporate taxpayers only and on condition that stock of the taxpayer (or parent corporation) having a value equal to the tax savings generated by the additional 1 percent credit is transferred to an employee stock ownership plan (ESOP). No deduction is allowed to the employer for the transferred stock, and the employees are not taxed until they receive distributions from the plan. The plan may be a qualified or a nonqualified plan.

—for public utilities, increase in the portion of tax liability that may be offset by the investment credit from 50 percent to: 100 percent in 1975 and 1976, 90 percent in 1977, 80 percent in 1978, 70 percent in 1979, 60 percent in 1980, and back to 50 percent in subsequent years.

—increase from $25,000 to $100,000 in amount of used property that may qualify for investment credit.

—provision for credit to be allowed as progress payments are made. This is a permanent change.

Estimated cost: $3.3 billion

Corporate tax rate changes

—surtax exemption (which determines amount taxable at rates below 48 percent) increased from $25,000 to $50,000 of taxable income.

—rate on first $25,000 of taxable income reduced from 22 percent to 20 percent (second $25,000 of taxable income will be taxable at 22 percent rate, balance of income at 48 percent rate).

—effective for taxable years ending in 1975.

Estimated cost $1.5 billion

Accumulated earnings tax

—minimum accumulated earnings tax credit increased from $100,000 to $150,000. This is a permanent change.

Estimated cost: Nominal

Work Incentive (WIN) Program tax credit

—credit of 20 percent of wages paid to a new employee during first 12 months of employment extended to employment of welfare recipients if employment lasts at least one month. Under present law, the new employee must be a participant in the WIN program administered by the Department of Labor and Health, Education and Welfare and must be employed for at least 24 months.

—as under present law, the new employee may not displace another employee.

—unlike present law, the expanded credit would apply to nonbusiness employees such as domestics, but the maximum credit with respect to each such nonbusiness employee would be $200.

—employment of migrant workers is not covered.

—effective with respect to wages paid to employees hired after the date of enactment and July 1, 1976.

Estimated cost: Nominal

Certain pension plan contributions

—for H.R. 10 plans, advanced by one year (to 1976 contribution for 1975 plan years) a provision permitting cash basis taxpayers to treat contributions made before April 13 as having been made in the preceding year.

Unemployment compensation

—extends the maximum period of benefits from 52 to 65 weeks, for weeks of unemployment ending before July 1, 1975.

Estimated cost: $200 million

Sale of principal residence

—increases from 12 to 18 months the period during which the seller of an old principal residence must purchase a new principal residence, if he wishes to apply section 1034 to avoid recognition of gain. When construction of the new principal residence is begun by the taxpayer himself, the period is increased from 18 to 24 months.

Estimated cost: Nominal

House purchase credit

—new tax credit for purchase of a principal residence equal to 5 percent of the taxpayer's tax basis, with maximum credit of $2,000. A taxpayer's tax basis in a new principal residence may be less than cost, if, for example, he sold an old principal residence, avoided recognition of gain through the application of section 1034, and was required to reduce his basis in the new principal residence by the amount of gain not recognized.

—applies only to purchases of new houses (including mobile homes and residential units in condominiums or cooperative housing projects). That is, the taxpayer must be the first occupant.

—applies only to new houses, the construction of which was commenced prior to March 26, 1975.

—purchaser must attach to his tax return a certification by the seller that the purchase price is the lowest price at which the residence was ever offered for sale. If the certification is false, the purchaser may recover, in a civil action, three times the difference between the purchase price and the lowest offered price (plus a reasonable attorney's fee) and the seller may be prosecuted.

—effective for acquisitions after March 12, 1975, and before January 1, 1977, but applies to 1976 acquisitions only if constructed by the taxpayer or acquired by the taxpayer under a binding contract entered into before January 1, 1976.

Estimated cost: $600 million

Limitation on percentage depletion

—eliminated immediately for majors.

—exception: 22 percent retained for all producers for regulated natural gas and natural gas sold under fixed contract

—royalty interest owners and independents (producers with no retail outlets who refine less than 50,000 bbl/day) have small production exemption, as follows: 22 percent remains for 2,000 bbl/day and phases down 200 bbl/day each year for 5 years, then holds at 1,000 while rate phases down: 20 percent for 1981, 18 percent for 1982, 16 percent for 1983, so that for 1984 and thereafter the exemption is 1,000 bbl/day at 15 percent (applies alternatively at taxpayer's election to natural gas on 6,000 cu. ft.; a bbl. equivalence).

—for secondary and tertiary production at the rate under the small production exemption stays at 22 percent until 1984 when it drops to 15 percent.

—except for *new* fields acquired in section 351 transfer or transfer at death, small production exemption applies to production from *new* fields only if discovered by taxpayer.

—aggregation rules prevent multiple exemptions for related entities. Family members treated as one taxpayer.

—depletion allowance under small production exemption limited to 65 percent of taxpayer's taxable income (computed without regard to any depletion on small production amount, capital loss or NOL carrybacks).

Estimated revenue increase: $1.6 billion

Foreign oil-related income

—new limitation on foreign tax credits of oil companies to 110 percent of the U.S. rate in 1975 (52.8 percent of income); 105 percent of the U.S. rate in 1976 (50.4 percent of U.S. income) and 50 percent of U.S. income in 1977.

—carryforwards from years prior to 1974 to years after 1974 will be computed as though the foregoing rules were in effect during those years.

—excess credit resulting from the application of these rules can only be used to shelter other oil-related income, including income from shipping, refining, marketing, interest, and dividends.

—requires for taxable years beginning after 1975, the use of the overall limitation in the computation of the foreign tax credits of oil companies.

—new recapture rule for losses incurred in oil operations; foreign oil income earned after December 31, 1975, will be treated as U.S. source income to the extent of any oil-related losses sustained after that date.

—bars use of tax credits with respect to the purchase of oil where the taxpayer does not have an economic interest in such oil and where such oil is not purchased and sold at its fair market value. This provision is effective for years after Dec. 31, 1974.

Deferral—Changes in Subpart F

—terminates the minimum distributions exception to subpart F (section 963).

—terminates the exception to subpart F which allows deferral where a tax haven income is reinvested in a corporation in a less-developed country.

—revises the present rule permitting deferral of tax on foreign tax haven income where less than 30 percent of such income is tax haven income to terminate such deferral where the tax haven income exceeds 10 percent of income.

—terminates the exception to subpart F for shipping income except where such income is reinvested in shipping operations.

—allows deferral of income on sales by a foreign sales corporation of agricultural products which are not grown in commercially marketable quantities in the United States.

—all of the foregoing changes are effective in taxable years beginning after Dec. 31, 1975. (See related story on page 21.)

DISC

—terminates DISC deferral privileges for exports of mineral resources, including coal, oil and uranium, effective for sales made after March 18, 1975. (See related story on page 21.)

Oil rigs—investment tax credit

—disallows investment tax credit for oil rigs used in international or territorial waters outside the northern portion of the western hemisphere effective for investments after March 18, 1975, unless made pursuant to contracts binding on April 1, 1974.

Estimated additional revenue from last four sections: $100 million first year, $600 million per year thereafter.

Note: Virtually all of the tax changes and increased benefits are drafted as temporary changes and benefits effective for only one year or at most two years. The permanent changes of most concern to businessmen are: (1) the provision for the investment credit to be allowed on progressive payments, (2) the expansion of the tax-free rollover period for sales of a principal residence, (3) the increase in the accumulated earnings tax credit, and (4) all energy-related measures.

Computerized Color-Coded Maps Detail Metro Data

A new method of producing color maps by computer has been unveiled by Commerce's Bureau of the Census with the publication of the first two in a series of metropolitan area urban atlases.

While the maps do not contain new materials, being based on the 1970 census, they allow data to be communicated visually which up until now had to be painstakingly researched from tabular data in the tract reports for various metropolitan areas.

Each atlas contains 12 detailed maps in a 15x19 inch format, presenting color-coded data on:

- Population density;
- Percentage of the total population under 18 years of age;
- Percentage of the total population 65 years of age and older;
- Black population as a percentage of the total population;
- Percentage of all persons 25 years old and over who are high school graduates;
- Median family income;
- Percentage of the total labor force employed in blue collar occupations;
- Median housing value;
- Median contract rent;
- Percentage of all housing units which are owner-occupied, and
- Percentage of all occupied units constructed from 1960 to March 1970.

The twelfth map utilizes 16 color tones to show the interrelationship of family income and educational attainment.

The new series is the result of a major breakthrough in computer graphics technology since the 1970 census. The input to the mapping system consists of a digitized file of tract boundary lines and the tract data to be mapped. These two elements are processed through a series of computer programs to produce a strip of microfilm which, when enlarged and screened, produces press negatives for printing.

The new process results in maps of the same high level of quality as found in traditional cartography at a fraction of the cost of manual techniques.

Each atlas also contains a table of comparative statistics to allow users to relate the general characteristics of the metropolitan area to the nation as a whole, to the state in which it is located, and to the counties and larger places located within the metropolitan areas.

The series will eventually include the 65 largest metropolitan areas in the United States (those with a 1970 census population of 500,000 or more).

Single copies of *Urban Atlas, Fort Worth, Texas*, GE80-2800, and *Urban Atlas, Anaheim-Santa Ana-Garden Grove, California*, GE80—0360, are available for $2.55 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or from Commerce District Offices.

Minority Sales Opportunities Provided At Boston Expo

Minority-owned companies will have a double opportunity to increase their sales to majority-owned companies and others at a special program scheduled in conjunction with the New England Industrial Show, to be held April 29 and 30 at Commonwealth Pier in Boston.

The Majority Buyers/Minority Suppliers Expo '75 is sponsored by the Purchasing Management Association of Boston in cooperation with the New England Minority Purchasing Council. The special program will enable minority suppliers to learn the buying needs of 50 to 100 major U.S. companies in a concentrated period of time and will also provide an opportunity for them to exhibit in a trade show attended by thousands of potential buyers.

Separate booths will be staffed by majority buyers with personnel prepared to make purchases from minority suppliers.

Sea Food From Iowa? Scientists Say It's Commercially Feasible

Fresh oysters and clams grown in Des Moines or, for that matter, any other non-coastal city in the United States, could become a commercial reality if Sea Grant scientists at the University of Delaware are on the right track.

A team of Delaware aquaculturists, working under a grant from Commerce's National Oceanic and Atmospheric Administration, has completed work on the first stage of a unique project to produce fast-growing, palatable, disease-resistant oysters and clams that can be reared at a competitive price in a totally self-contained environment.

When successfully developed, this prototype would be available for commercial adaptation anywhere in the United States.

Eight groups of 250 shellfish each are well into their second year of growth, thriving on diets of laboratory-reared algae in a closed (recycled) seawater system. So far, the clams are growing three to five times faster than they do in Delaware Bay, and the oysters about one-and-one-half times faster. Some of the clams in the initial crop already have grown to marketable cherrystone size.

The NOAA-supported Sea Grant team consists of biologists, chemists, engineers, nutritionists, economists, and an attorney.

In addition to providing the potential for a new industry, the aquaculture system could be used to produce seed for boosting natural stocks of oysters and clams, and possibly increasing commercial catches.

Groundwork for the aquaculture program got under way in the late 1960s, after an endemic disease had severely depleted the natural oyster stocks in Delaware Bay. To prevent a repetition of such a disaster, the University of Delaware set out to establish a new system for producing shellfish that would be free of the vagaries of nature that could destroy the industry almost overnight.

"Duplicating in the laboratory what it has taken thousands of years of evolution to develop is a considerable challenge," says project director Dr. Melbourne Carriker. "Our most serious problems involve determining the ideal shellfish diet, anticipating the threat of disease, and monitoring and controlling waste products.

"We also have to consider certain factors that nature doesn't worry about, such as keeping costs in line with those of naturally grown shellfish, examining the legal problems of commercial aquaculture development, and eventually using natural, less expensive energy sources."

One of the most obvious benefits to the consumer would be the year-round availability of fresh shellfish. "Another great value of a closed-cycle aquaculture system," explains research engineer Gary Pruder, "is that almost every aspect of the rearing process can be controlled. Toxic metals can be eliminated, uniform growth can be maintained throughout the year."

In addition, Pruder points out that, unlike traditional flow-through aquaculture systems in which seawater is pumped through once and then discharged, the location of a closed-cycle system need not be restricted to the shoreline nor to a readily available supply of clean water. This, he says, is vital if commercial application is to become a reality. Not only does coastal property tend to be more expensive, but coastal areas are generally subject to more legal restraints.

Booklet Guides Small Companies To Fuel Supplies

The Federal Energy Administration has teamed with the Small Business Administration in compiling a handbook designed to help owners of the nation's 8.8 million small businesses make sure their plants and offices get adequate supplies of fuel.

The ten-page *Energy Handbook for Small Business (Handling fuel and fuel problems)* outlines government energy-related programs which benefit small commercial enterprises.

The booklet suggests that business managers having fuel shortage problems first talk to their supplier, then contact the Small Business Administration, then seek state energy office help. If these three steps don't resolve the problem, the booklet recommends taking it to the FEA regional office. (See list below.)

It reports that emergency fuel problems which involve limited amounts of fuel or one-time fuel problems frequently are being resolved by state government officials.

The top priority small businesses that the report says should receive 100 percent of current fuel requirements when suppliers' inventories are low include: agriculture and agriculture-related industries, clinical drug manufacturing, emergency services (ambulance firms), emergency production services, sanitation services, schoolbuses and taxis.

Energy conservation examples that several small businesses have implemented are discussed in the booklet, which offers an energy conservation checklist prepared by Commerce and the FEA and especially designed for factory and office management.

Copies may be purchased for 35 cents apiece through the Government Printing Office, Washington, D.C. 20402, Stock number 041-018-00052.

Regional Energy Offices

For details of federal energy programs, contact any of the Federal Energy Administration's ten regional offices:

Region I (Conn., Maine, Mass., N.H., R.I., Vt.), 150 Causeway St., Boston 02114, Robert Mitchell, Administrator (617-223-3730);

Region II (N.J., N.Y., Puerto Rico, Virgin Islands), 26 Federal Plaza, N.Y. 10007, Alfred Kleinfeld, Administrator (212-264-1021);

Region III (Del., D.C., Md., Pa., Va., W. Va.), 1421 Cherry St., Philadelphia 19102, Joseph A. LaSala, Administrator (215-597-3890);

Region IV (Ala., Canal Zone, Fla., Ky., Miss., N.C., S.C., Tenn.), 1655 Peachtree St., N.E., Atlanta 30309, Kenneth Dupuy, Administrator (404-526-4885);

Region V (Ill., Ind., Mich., Minn., Ohio, Wis.), 170 West Jackson Blvd., Chicago 60604, N. Allen Andersen Administrator (312-353-8420);

Region VI (Ark., La., N.M., Okla., Tex.), 2626 West Mockingbird Lane, P.O.B. 35228, Dallas 75235, Delbert Fowler, Administrator (214-749-7345);

Region VII (Iowa, Kan., Mo., Neb.), P.O.B. 15000, 112 East 12th St., Kansas City, Mo. 64106, James Newman, Administrator (816-374-2061);

Region VIII (Colo., Mont., N.D., S.D., Utah, Wyo.), P.O.B. 26247, Belmar Branch, Lakewood, Colo. 80226, Gen. Dudley Faver, Administrator (303-234-2420);

Region IX (Ariz., Cal., Guam, Hawaii, Nev., Samoa), 111 Pine St., San Francisco 94111, William Arntz, Administrator (415-556-7216);

Region X (Alaska, Idaho, Ore., Wash.), 1992 Federal Bldg., 915 Second Ave., Seattle 98174, Jack Robertson, Administrator (206-442-7280).

Coral Reef May Become Sanctuary To Preserve Tourism, Scientific Value

The largest living coral reef in continental U.S. coastal waters—a major tourist attraction and a valuable scientific resource—may become the first marine sanctuary of its kind in the nation.

Commerce's National Oceanic and Atmospheric Administration has received a nomination to designate a 100-square-mile-area off Key Largo, Fla., as a sanctuary.

The area, up to five miles wide and about 21 miles in length, is adjacent to the John Pennekamp Coral Reef State Park and overlaps the Key Largo Coral Reef Preserve. Its nomination as a marine sanctuary, submitted by the Florida Department of Natural Resources, is a move to preserve the reef's ecosystem, parts of which are currently without protection.

Earlier this year the site of the wreckage of the Civil War ironclad USS Monitor off Cape Hatteras, N.C., was designated as the country's first marine sanctuary for its historic value. The coral reefs would be designated for their value as a natural resource.

Under law, the Secretary of Commerce is empowered to designate marine areas as sanctuaries to preserve them for their conservation, recreational, ecological or esthetic values. NOAA's Office of Coastal Zone Management is responsible for handling and processing nominations.

Of great importance is the fact that the reef is still "alive," the coral continuing to grow and develop. Coral reefs recently have come under considerable stress from a variety of man's activities, which in some cases have killed reefs.

Under proposed terms of the nomination, removal or destruction of natural resources and marine life other than fish would be prohibited, as would dredging, filling, or polluting. However, fishing, skin diving and boating will be permitted under limited conditions, and the proposed sanctuary could be temporarily closed to public use to allow recovery from overuse and to permit scientific research relating to protection and management.

Once the sanctuary is designated, it is proposed that permits would be issued for educational endeavors, scientific and industrial research, commercial fisheries activities, and recreational activities, all consistent with the intent of the law.

Violators of any rules and regulations of the sanctuary would be liable to a fine of not more than $50,000 for each day of violation.

Regular monitoring of uses of the sanctuary, and research on the effects of particular uses of the coral reef ecosystem will be conducted. Additionally, surveillance of development activities along the coast of Key Largo will be conducted to make sure these activities do not adversely affect water quality and subsequent health of the coral reef.

Copies of the nomination have been sent to appropriate government agencies for their review, and to private individuals and organizations for their information and consideration. If reaction to the nomination is favorable, an environmental impact statement would be prepared early this summer, and a public hearing held in Florida at which interested parties could speak on the proposed designation. Public approval could mean designation of the area as a marine sanctuary by the end of this year.

Copies of the nomination may be obtained from the Office of Coastal Zone Management, National Oceanic and Atmospheric Administration, Rockville, Md. 20852.

In a related development, a research submersible, an underwater laboratory, and a variety of underwater safety stations were marshalled for a month-long research project that began April 1 off Freeport in the Bahama Islands. Purpose of the project is to enable scientist-divers to make concentrated studies of the vertical wall of a coral reef to depths as great as 250 feet.

Project SCORE (Scientific Cooperative Operational Research Expedition) will involve deep reef studies of fishes, corals, algae and geology of the reef environment. The project will be carried out cooperatively by the Commerce Department's National Oceanic and Atmospheric Administration, the Harbor Branch Foundation of Fort Pierce, Fla., and the Perry Foundation of Riviera Beach, Fla.

Calendar For Businessmen

April 16-18—Washington—Effective Administrative Writing seminar, Georgetown Univ. For information, Ms. Betsy Girton, SSCE—Continuing Management Education, Georgetown Univ., Washington, D.C. 20057. (202-625-3001.)

April 21-22—Washington—Time Management seminar, Georgetown Univ. For information, Ms. Betsy Girton, SSCE—Continuing Management Education, Georgetown Univ., Washington, D.C. 20057 (202-625-3001.)

April 21-23—Chicago—Cosmetics & Toiletries Packaging seminar, Ambassador Hotel. Sponsor: New York Univ. School of Continuing Education. For information, Ms. Heidi Kaplan, New York Management Center, 360 Lexington Ave., New York 10017. (212-953-7262.)

April 22-24—New York — Machining seminar, Barbizon-Plaza Hotel. For information, New York Univ. School of Continuing Education, New York Management Center, 360 Lexington Ave., New York 10017. (212-953-7266.)

April 23-25—Anaheim, Cal.—Mechanical Failures Prevention Group 22nd meeting, Grand Hotel. For information, National Bureau of Standards, Office of Information Activities, Washington, D.C. 20234. (301-921-2768.)

April 27-29—Ipswich, Mass.—Facsimile Update conference, IGC Conference Center. For infomation, Richard D. Murray, Institute for Graphic Communication, 375 Commonwealth Ave., Boston, Mass. 02115 (617-267-9425).

April 28-May 2—Boston — Fundamentals of Plastics seminar, Parker House. For information, New York Univ. School of Continuing Education, New York Management Center, 360 Lexington Ave., New York 10017. (212-953-7266.)

April 28-May 23—Arlington, Va.—Management and the Federal Procurement Process course, Rosslyn Ramada Inn. For information, Procurement, SSCE, Georgetown Univ., Washington, D.C. 20057. (202-625-3001.)

April 29-30—Boston—Majority Buyers/Minority Suppliers Expo '75, Commonwealth Pier. For information, Purchasing Management Assn. of Boston, Inc., 185 Devonshire St., Boston, Mass. 02110 (617-426-9476).

May 4-6—Ipswich, Mass.—Interconnect Systems conference, IGC Conference Center. For information, Richard D. Murray, Institute for Graphic Communications 375 Commonwealth Ave., Boston, Mass. 02115 (617-267-9425).

May 4-7—Kansas City—Industrial Development Research Council Annual Workshop/Business Meeting, Crown Center Hotel. For information, IDRC, Peachtree Air Terminal, 1954 Airport Rd., Atlanta, Ga. 30341 (404-458-6026).

May 6-8—New York—Packaging: Planning, Marketing and Design seminar, Delmonico's Hotel. For information, Ms. Heidi Kaplan, Information Services Manager, New York Management Center, 360 Lexington Ave., New York 10017 (212-953-7262).

Import Preferences Readied For World's Developing Lands; Public Hearings Under Way

President Ford has set in motion a program that will extend duty-free treatment on imports of a wide range of products from about 130 of the world's developing nations and territories.

He did this by signing Executive Order 11844 on March 24, thus authorizing procedures that will implement the Generalized System of Preferences (GSP) provided for in the Trade Act of 1974. The U.S. is the last of a group of 18 industrialized countries to carry out a pledge made in 1970 to grant preferential treatment for imports of manufactured, semi-manufactured and selected primary industrial, fishery and agricultural products from the developing lands.

The Administration is working for a prompt initiation of the GSP program, hopefully this fall. At the same time, there is concern that careful investigation of eligible items be conducted in full compliance with the provisions of the Trade Act, which requires the same consideration for GSP items as for those in the current multilateral trade negotiations. This article summarizing GSP provisions has been prepared by Commerce's Office of Int'l Trade Policy, Legislative and Tariff Policy Division.

The Presidential actions fulfilled several requirements of the Trade Act. First, the Executive Order designates the beneficiary countries eligible for GSP treatment in two categories: List 1(a) countries and 1(b) territories are those now eligible for beneficiary status; List 2 countries are not now eligible, but are under consideration for designation as beneficiaries. The President may terminate beneficiary status upon 60 days notice if actions of a beneficiary violate the eligibility requirements. The Executive Order, therefore, requires a continuing elibility review.

Simultaneously with the Executive Order, the *Federal Register* published a list of articles which will be considered for GSP treatment. This list includes a selected group of agricultural, fishery, and primary industrial products and all semi-manufactured and manufactured items except the mandatory exclusions. The mandatory exclusions are import-sensitive textiles, footwear, steel, and watches, as well as any items subject to import relief or national security rulings.

Items currently subject to import relief are certain ceramic dinnerware items and certain ball bearings. Those subject to national security rulings are certain petroleum products. Import-sensitive electronic articles and glass products are also to be excluded, but determination of the import sensitivity of these products will be made by the President following receipt of advice from the International Trade Commission. Finally, the President is also required to exclude any other articles which he determines are import sensitive.

As required by the Trade Act, the President sent the list of items under consideration for GSP treatment to the Trade Commission for its advice. Within six months, the Commission must conduct investigations and advise the President of the probable economic effect of granting duty-free preferential treatment on industries producing like or directly competitive items and on consumers. As a major part of its efforts, the Commission is now conducting public hearings.

The Commission's GSP hearings will be conducted with the remaining hearings on the multilateral trade negotiations, with some additions to the original schedule. Remaining hearings are as follows: Denver, April 14-15; Omaha, April 16-17; Kansas City, April 18-19; Houston, April 22-23; Los Angeles, April 24-25; Pittsburgh, April 29-30; Detroit, May 1-2; Miami, May 5-6; Camden, N.J. May 7-8, and Augusta, Me., May 9-10. Hearings resumed in Washington April 8 and will continue until completed there. For witnesses, a week's advance notice to the Commission Secretary is normally requested, but all who appear will be heard.

For further details on the hearings described above write: Secretary, U.S. International Trade Commission, 8th & E Sts., NW., Washington, D.C. 20436, or (Administration hearings) Secretary, Trade Policy Staff Committee, Office of Special Representative for Trade Negotiations, Executive Office of the President, 1800 G St., NW., Washington, D.C. 20506.

Under the Trade Act, the President is also required to provide for public hearings on articles under consideration for GSP at which all interested parties may present views. The hearings are to be conducted by the Trade Policy Staff Committee (see box for address) in conjunction with the hearings on the multilateral trade negotiations. Expected to begin in May, the hearings will run as long as necessary. For the most part, the hearings will be held in Washington, D.C., but there may be others elsewhere.

The President will make the final determinations on the list of eligible items after receiving the advice of the Trade Commission, a summary of views presented at the Executive Branch hearings, and the separate advice of Executive agencies.

Besides the Presidential determinations, ragarding import sensitive products, two additional requirements of the law must be fulfilled before actual implementation. First, initial determinations must be made to exclude products which exceed the competitive need ceilings. The law provides that, in order to encourage export diversification and to assure benefits of the system to the least-developed countries, whenever a country exports an item during one calendar year exceeding a value of $25 million or 50 percent of total U.S. imports of that item, that country will be ineligible for preferential treatment with respect to that item beginning the following calendar year. Duty-free treatment may be restored if exports fall below the ceilings in a later year. An exception is made to the 50 percent rule when a like or directly competitive article is not produced in the United States. In addition to the determination excluding items for those countries exceeding the competitive need ceiling prior to implementing GSP, such exclusions also must be made at the end of each calendar year.

Finally, before the system goes into effect, the U.S. Customs Service will issue regulations for the rule of origin requirements. The Trade Act provides that the value added in the beneficiary country by the costs of material inputs or of processing must be not less than 35 percent of the appraised value of the article upon entry, or 50 percent if members of a free-trade association choose to be treated as one country for GSP purposes.

GSP Beneficiaries

The following independent nations are designated as GSP beneficiaries:

Afghanistan, Argentina, Bahamas, Bahrain, Bangladesh, Barbados, Bhutan, Bolivia, Botswana, Brazil, Burma, Burundi, Cameroon, Central African Republic, Chad, Chile, Colombia, Congo (Brazzaville), Costa Rica, Dahomey, Dominican Republic.

Egypt, El Salvador, Equatorial Guinea, Ethiopia, Fiji, Gambia, Ghana, Grenada, Guatemala, Guinea, Guinea Bissau, Guyana, Haiti, Honduras, India, Ivory Coast, Jamaica, Jordan, Kenya, Khmer Rep., Rep. of Korea, Laos, Lebanon, Lesotho, Liberia.

Malagasy Republic, Malawi, Malaysia, Maldive Islands, Mali, Malta, Mauritania, Mauritius, Mexico, Morocco, Nauru, Nepal, Nicaragua, Niger, Oman, Pakistan, Panama, Paraguay, Peru, Philippines.

Rwanda, Senegal, Sierra Leone, Singapore, Sri Lanka, Sudan, Swaziland, Syria, Taiwan, Tanzania, Thailand, Togo, Tonga, Trinidad and Tobago, Tunisia, Upper Volta, Uruguay, Vietnam (South), Western Samoa, Yemen Arab Republic, Yugoslavia, Zaire, Zambia.

The following territories are also designated as GSP beneficiaries:

French Territory of the Afars and Issas, Angola, Anguilla, Antigua, Belize, Bermuda, British Indian Ocean Territory, British Solomon Islands, Brunei, Cape Verde, Cayman Islands, Comoro Islands, Cook Islands.

Dominica, Falkland Islands (Malvinas) and Dependencies, French Polynesia, Gibraltar, Gilbert and Ellice Islands, Heard Island and McDonald Islands, Macao, Montserrat, Mozambique, Neth. Antilles, New Caledonia.

New Hebrides Condominium, Niue, Norfolk Island, Papua New Guinea, Pitcairn Island, Portuguese Timor, Saint Christopher-Nevis-Angilla, Saint Helena, Saint Lucia, Saint Vincent.

Sao Tome and Principe, Seychelles, Spanish Sahara, Surinam, Tokelau Islands, Trust Territory of the Pacific Islands, Turks and Caicos Islands, British Virgin Islands, Wallis and Futuna Islands.

The following countries are identified as under consideration for designation as beneficiary developing countries:

Algeria, Cyprus, Ecuador, Gabon, Greece, Hong Kong, Indonesia, Iran, Iraq, Israel, Kuwait, Libya, Nigeria.

Peoples' Democratic Republic of Yemen, Portugal, Qatar, Romania, Saudi Arabia, Somalia, Spain, Turkey, Uganda, United Arab Emirates, Venezuela.

DISC Benefits, Tax Havens Abroad Are Touched By New Law

The newly-enacted Tax Reduction Act of 1975 contains several features which will limit the previously existing opportunity to defer U.S. taxes on retained income arising from the export of mineral resources and from certain kinds of U.S. invesetments abroad. These limitations, however, are not nearly so extensive as a proposed addition to the bill which was dropped by the Senate-House conference, and which would have eliminated entirely tax deferral for all profits of U.S.-owned foreign corporations.

The 50 percent tax deferral benefit the U.S. tax law provides to U.S. exporters, who form special corporations called Domestic International Sales Corporations (DISC's), is no longer available for the export of natural resourecs subject to deductions for depletion. This includes almost all exports of the mining and energy industries, unless the value added by subsequent U.S. processing or manufacturing reaches at least 50 percent of the value of the export. In addition, the export of any item restricted for short supply under the Export Administration Act would not qualify for the DISC benefit. Currently only oil and oil products are so restricted. These two limitations to the DISC apply to all affected sales after March 18, 1975.

The tax cut law also curtails several methods U.S. multinationals, particularly those with operations in less developed countries, use to avoid current U.S. taxes on their "tax haven" (Subpart F) income retained abroad. This kind of income typically is generated by companies the U.S. parents set up in low tax countries to accumulate and funnel sales profits and passive income from other foreign affiliates.

The bill tightens Subpart F by 1) eliminating the "minimum distribution" exception, which allows deferral on that part of tax haven income retained abroad if certain minimum levels of dividend repatriations are made, 2) reducing from 30 percent to 10 percent the maximum "tax haven" income a U.S. subsidiary can generate before any of its unrepatriated earnings are taxed currently by the U.S., and 3) eliminating the opportunity to preserve tax deferral for tax haven income by investing it in less developed countries. These changes will not apply to corporate tax years beginning prior to 1976

For further information on these changes, call or write the Foreign Business Practices Division, Office of International Finance and Investment, U.S. Department of Commerce, Washington, D.C. 20230, phone 202-967-4471.

U.S. And Competitors

Comparative trade, economic and industrial performance data on the U.S. and its principal industrial competitors is presented in charts and tables in a new Commerce Department quarterly publication.

International Economic Indicators and Competitive Trends offers comparisons among the U.S. and West Germany, France, the United Kingdom, Canada and Japan in its first issue, and will add Italy and the Netherlands in succeeding issues.

Trend charts and statistical tables focus on the most recent comparative quarterly and annual changes in 25 key competitive indicators in each of the countries. Extensive data is provided in numerous additional economic series

The indicators include real gross national product, industrial production, utilization of industrial operating capacity, exports and imports, share of world markets, wholesale and consumer prices, balance of payments and currency exchange rates.

The quarterly also contains a summary of selected government and private comment on the economic outlook in the United States and abroad, and a brief review of the latest economic trends. First-issue comments are accompanied by a limerick attributed to Britain's Sir Alex Cairncross, reprinted from *New Statesman:* "A trend is a trend is a trend/but the question is will it bend/ will it alter its course/by some unforeseen force/ and come to a premature end?"

International Economic Indicators and Competitive Trends is prepared by the International Economic Policy and Research staff of the Commerce Department's Domestic and International Business Administration.

It is available at $12.65 a year (40¢ additional for domestic air mail and $3.20 additional for foreign mailing) or $3.20 a single copy from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402,, or through any Commerce Department district office.

OPIC Surveys African Nations

The Overseas Private Investment Corporation has published economic reports on eight Francophone African countries. The reports, which survey the economies and business opportunities in Senegal, Ivory Coast, Mali, Niger, Upper Volta, Togo, Cameroon, and Gabon, are available free to U.S. firms from OPIC Public Affairs Office, 1129 20th St., NW., Washington, D.C. 20527.

VISITORS EVERYWHERE—*All of the booths were in busy use during the recent plastics production equipment exhibition at the U.S. Trade Center in Mexico City, as viewed from the top of the Littleford Bros. mixer/chiller. Exhibitors numbered 35.*

Mexicans Buy $1.5 Million In Plastics Equipment At U.S. Trade Center Show

Optimism was the dominant characteristic of Mexican businessmen attending a recent plastics equipment exhibition at the Mexico City U.S. Trade Center. They proved it by coming in record numbers—more than 2,000—and by setting a Center record for sales off the floor—$1,536,000.

It is apparent that many Mexicans see the country's recent oil discoveries as making materials difficulties a thing of the past. Mexico's imports of plastics production equipment have tripled in the past five years to a total of about $25 million in 1974. The United States is the largest supplier of equipment (36 percent), but there is substantial competition from Germany and Italy.

Mexican plastics producers showed enthusiastic interest for hot stamping machines, offset printing equipment, pneumatic conveyers, plastic welders, injection molding machines, dryers, pressure gages, temperature controls, PVC compounding centers, material handling systems, bag machines, and spray foam systems. Polyurethane materials and equipment attracted special interest from Mexican industrialists seeking to diversify their product lines.

The Mexican market for this plastics production equipment is one which the aggressive U.S. market manager should investigate. Certain machines, however, are excluded from importation except under most limited circumstances: injection molding machines under 500 tons, extruders under five inches barrel diameter and some granulators. In spite of the restrictions on these products, the U.S. exporter will find an eager market in Mexico for other equipment.

The 35 exhibitors representing 44 companies at the recent show look toward sales in the next 12 months of about 10.6 million, of which $6 million is estimated by new-to-market companies. Fifteen representation agreements have been signed, and 12 are under negotiation.

POPULAR CORNER — *This view of the plastics equipment show was taken through a Cincinnati Milacron display item.*

U.S. Firms May Exhibit Equipment At Fair In Peru

U.S. firms are invited to exhibit in the U.S. pavilion at the Ninth Pacific International Fair in Lima Nov. 12-23. The Fourth Panamerican Congress on Naval Engineering will be meeting in Lima at the time.

The fair offers an opportunity for exhibiting all kinds of industrial machinery and equipment. Held every two years, it is the largest on the Pacific coast side of South America and provides an opportunity for U.S. manufacturers to sell under special Peruvian Government incentives industrial products to a growing Peruvian market.

Contact: Richard Rueda, Jr., Commercial Attache, U.S. Embassy, Lima, Peru.

Apparel Machinery Display Planned For Mexico City

The National Apparel Chamber of Mexico will hold its second exhibition of machinery for the needle trades on June 25-28 in Mexico City. Manufacturers from Mexico, the United States and Europe will participate. Show display items may enter Mexico in bond. Curt Salmon Inc. of Atlanta is scheduled to offer Spanish language seminars in conjunction with the show. For further details, contact Mrs. Denyse C. Selesnick, Denyse & Co., 112 West Ninth St., Suite 631, Los Angeles, Cal. 90015; telephone, 213-626-5379.

June Motor Show, Athens: Focus On New Products

MOTOR '75, the First Athens International Motor Exhibition, will be held June 27—July 6. The show, aimed at the Middle East and Mediterranean markets, will cover the automotive, marine and aeronautical industries, including a special exhibit on new automotive products. Participation is open to manufacturers and agents in these fields, as well as to designers of racing cars and speed boats. Write: P.I.A. Greece Ltd., Athens Tower, 2 Messogion St., Athens 610, Greece; telex, 214371 PIA GR.; or Larry Penzell, PIA Ltd., 540 Madison Ave., New York, N.Y. 10022; telephone, 212-755-3500.

ISMETAL '75 Invites Investors

ISMETAL '75, an exhibition of metalworking products and techniques by 200 of Israel's manufacturers, to be held in Tel Aviv Oct. 5-10, is inviting U.S. businessmen interested in licensing and investment opportunities in a major growth sector of the Israeli economy. For details write Israeli Investment Authority, 850 Third Ave., New York, N.Y. 10022.

DISTINGUISHED GUESTS—*At Print '75 in Taipei, Minister of Education Y. S. Tsiang (second from left) and U.S. Assistant Secretary of Commerce Tilton H. Dobbin (center), inspect Direct Image's color proofing materials, new to Taiwan market, as U.S. Ambassador Leonard Unger (right) looks on. Several thousand trade visitors attended.*

U.S. Printing Equipment Exhibition In Taiwan Reveals Budding Market

Taiwan's printing and graphic arts industry is seeking to upgrade the quality of its printed materials and is eager to adopt technical advances. With extensive marketing efforts and intensive technical training sessions by U.S. firms, the Taiwan market for American printing equipment could grow substantially in the next two years.

This is the overview that emerged from a recent U.S. Trade Center exhibition in Taipei. PRINT '75, the first such event to be held off-site in quarters larger than the Center's own exhibition hall, drew more than 4,500 registered trade visitors who examined the latest in American prepress, pressroom, and binding and finishing equipment.

Pressroom and related equipment—including vacuum printers, offset printers, and white printers—were the best sellers on the floor. One-year projected sales of prepress and pressroom machinery are comparable, followed by binding and finishing equipment.

In Taiwan, the transition from conventional to lithographic printing is just beginning, and some of the units displayed seemed too sophisticated for the local industry at its present stage of development. Exhibitors observed extreme price sensitivity, uncertainty about the suitability of the equipment for local applications, and a hesitation to buy; but the exhibits did induce substantial interest.

PRINT '75 demonstrated that lithofilm and cromalin color proofing systems will sell well in Taiwan. Phototypesetting equipment was found to be somewhat advanced for the current market. Local print shops and newspapers, increasingly concerned with quality control, constitute a developing market for presensitized plates and color control keys. American photocomposition equipment, exposure computers, densitometers and advanced film developing systems will sell well if U.S. companies cultivate the market with instruction sessions and workshops on color separation technology.

With increasing technical education in printing and changing concepts in the local industry, Taiwan should be ready for U.S. graphic arts equipment in about two years. There is no local production of such equipment. Third-country competition is Japanese; however, the generally recognized superior quality of the American equipment, rising prices in Japan, and the program to "buy American" augur well for U.S. sales.

While the demand for vacuum printers is limited, offset presses and related equipment were well received. Sales of white printers for blueprints have been stimulated by the recent lifting of the ban on construction of high-rise buildings. Label-printing machines are selling well due to government and private-industry efforts to upgrade the quality of the packaging of Taiwan's exports. Label-making on the island is in its infancy.

Of great interest at PRINT '75 was the speedbinder. Since most binding work is now done by hand in Taiwan, the speedbinder's automation, high speed, and efficiency impressed the trade. The market for the machine is limited to large printing and publishing concerns, but should expand as the economy continues to grow. Considerable interest was expressed in machines which set side stitch beyond thicknesses of one-half inch. The machines displayed stitched up to that thickness only.

Paper shredders, collators, collectors and folders drew less interest, but are expected to sell well in the future as time and labor-saving features become increasingly important to the industry.

According to the exhibitors, the following equipment would have sold well had it been displayed: additional color processors, pyrofax platemakers using no film or chemicals, microfilm readers, printers and processors, platemaking machines, projectors, and printed circuit drawing aids.

As reported in the March 3 issue of *Commerce Today*, page 23, the 25 exhibitors took immediate orders totaling $600,900, and project 12-month sales at about $2.5 million.

ASIE Exams For World Traders Scheduled For May

Career international trade examinations are being offered May 17, by the American Society of International Executives, in three categories: certified documentary specialist (CDS), for which one year of experience is required; certified international executive (CIE), two years' experience; and qualified international executive (QIE), five years' experience.

Applications must be received and approved by April 25. Information on study outlines, fees and exam sites is available from ASIE, Suite 900, Bailey Bldg., 1218 Chestnut St., Philadelphia, Pa. 19107.

Equipment Show, Hong Kong

The Hong Kong Productivity Centre, a government-supported entity, is soliciting exhibitors for its Asia Metal Finishing Exhibition to be held in Hong Kong July 18-22. The exhibition will feature equipment designed for light metal working and finishing. Firms interested in participating should write: Dr. F. T. Wong, Hong Kong Productivity Centre, P.O. Box 16132, Hong Kong.

U.S. Exhibitors See Semiconductor Components Selling Well In U.K.

The results of a recent exhibition of advanced semiconductor components at the U.S. Trade Center, London, fully support the industry view that the outlook for 1975 in most of the U.K. electronics sector is positive.

Most observers have predicted a continuing decline in overall commercial activity during the first half of this year, with an upturn in electronic sales during the third and fourth quarters. In the specialized area of advanced components, however, even the near-term outlook is bright in many lines. Comments by some exhibitors indicate increases in current orders over the "boom" period of early 1974, depending on their products' applications. Prospects appear to be particularly good for electronic components for scientific and industrial uses.

The exhibitors' experience suggested that the following were among the best received advanced semiconductor product lines: ceramic chip capacitors, thermistors incorporating the latest technological advances, anti-static handling materials, solar cells, transistor dice and hybrid circuits, diodes, transistors and rectifiers.

Sales in consumer electronics are off sharply and demand for components is correspondingly weak. Production of color television sets and audio systems, for example, has decreased considerably in recent months and at least two major U.K. manufacturers have pulled out of the black-and-white television market entirely.

As reported in the Feb. 17 issue of *Commerce Today*, page 28, the 63 exhibitors reported floor sales of $1 million, and a 12-month sales projection of $12.5 million.

Packaging Event, Venezuela

The first international packaging exposition and seminar in Venezuela will be held June 21-29 in Caracas, for packaging businessmen and professional and technical personnel, primarily from the Andean Common Market countries. These countries represent a fast-growing market for packaging and most of their equipment and materials is imported. Contact LATINPACK 75, 1747 Pennsylvania Ave., NW., Washington, D.C. 20006; phone, 202-USA-1990.

GETTING IT STRAIGHT—*Bill Mitchell (left), editor of Electron, a British fortnightly, talks with exhibitors D. Kearsley and Alan Milne of Beckman Instruments, during London U.S. Trade Center advanced semiconductor components display.*

U.S. Exhibition Results In Brief

The following summary reports have been received on U.S. overseas commercial exhibitions. Further details and marketing data derived from these exhibitions will be published as available.

Pharmaceutical and Cosmetics Equipment. U.S. Trade Center, Mexico City, March 3-7. Exhibitors, 23, representing 29 companies. Sales during show, $255,990; 12-month projection, $4.9 million, with new-to-market firms accounting for $800,000.

COMPUTER '75. U.S. Trade Center, Stockholm, March 10-14. Exhibitors, 80. Floor sales, $5.5 million; 12-month projection, $45.7 million, of which firms new-to-export or -market estimated $14 million. Representation agreements, 14; under negotiation, 40.

Industrial Assembly Equipment and Supplies. U.S. Trade Center, Milan, March 11-15. Exhibitors, 28. Floor sales, $150,500; 12-month projection, $3.83 million, of which $1.9 is estimated by new-to-market firms. Representatives appointed, 5; under negotiation, 15.

Hotel and Restaurant Equipment. U.S. Trade Center, Tokyo, March 14-18. Exhibitors, 20. Floor sales, $50,680; 12-month projection, $3.3 million, of which firms new-to-export or -to-market estimate about $2.1 million. Representatives and joint ventures under negotiation, 7.

Tokyo International Anti-Pollution Exhibition '75, Tokyo, March 14-19. Exhibitors, 22. Floor sales, $61,000; 12-month projection, $12.5 million, of which firms new-to-export or -to-market estimate about $7.7 million. Representatives appointed, 1; under negotiation, 6.

Chicago Conference Will Hear Ingersoll

Deputy Secretary of State Robert S. Ingersol will address the 38th annual Chicago World Trade Conference to be held at the Hyatt Regency Chicago Hotel April 30 and May 1. He will discuss U.S. international trade and investment policy.

Other major speakers are Harald B. Malmgren, who until recently was the Deputy Special Trade Representative at the White House, and Orville L. Freeman, a former Secretary of Agriculture who is now president of Business International Corp., New York. They will discuss the coming multilateral trade negotiations and the situation in the world's developing nations, respectively.

Among the program session leaders are A. Robert Abboud of the First National Bank of Chicago; Lee L. Morgan of Caterpillar Tractor; Brooks McCormick, International Harvester; Rollin R. Baker, Pullman-Standard; Donald Erickson and Thomas H. Coulter, both of the Chicago Association of Commerce and Industry, which is a co-sponsor of the conference with the Int'l. Trade Club of Chicago.

Latin Aim Toward Self-Sufficiency In Food Leads To U.S. Equipment Sales

Our Latin American neighbors, aiming at self-sufficiency in food, are taking a closer look at U.S. agricultural, processing, and packaging equipment—and they are buying.

The world's limited food supply and the resultant efforts to increase production among growing populations loom as problems even more important than that of energy, according to a recent trade mission to Ecuador, Colombia, Jamaica, and the Dominican Republic. The U.S. mission found all four countries implementing agricultural goals which emphasize expansion in grain and foodstuffs. These countries, fast realizing that agriculture has been their historical strong point and the factor on which their growth has been based, are rapidly modernizing techniques and processes to be ready with solutions.

The seven-company mission sold almost $1 million worth of equipment on the spot, and is looking toward some $10 million in orders during the next year. Largest volume of sales occurred in grain drying, handling, and storage (silo) systems with concrete pipe-making equipment and food-canning equipment next in demand.

Immediate sales in Ecuador

All of the immediate sales and well over half ($6.2 million) of the total projected sales were made in Ecuador, where government leaders are utilizing financial resources made possible by the current petroleum bonanza to breathe life into the nascent agricultural and manufacturing sectors. First enjoying high-level government cooperation in Quito, the mission members later described the Guayaquil area as a boiling cauldron of sales opportunities as agricultural, business and government leaders implement development of the Guayas River basin and related Industrial Development-Bank-financed farm cooperative projects. These projects offer sales opportunities for rice harvesting, drying, handling, and storage projects and for similar systems for corn, cacao, coffee, beans and wheat. Other members reported sales of pilot plant operations for animal feed mixing and food canning operations and all members rated Ecuadorean interest in U.S. agricultural techniques and equipment as genuine and earnest.

Sales totaling $2.3 million were projected in Colombia, a market the mission described as more sophisticated if less vibrant than Ecuador, with tremendous potential for all the mission's products over next 5-10 years, especially in feed mixing, concrete tile making machinery and silo systems. The importance of immediate sales followup and prompt servicing was found to be a requisite in order to compete in the large and growing Colombian market with its regional Andean Marketing overtones.

Expanding projects

Another stop on the mission's itinerary was Jamaica, where in traditional grain cleaning and storage equipment, the members reported expected total sales of $1.7 million and excellent timing which enabled them to enter on the ground floor of several projects now being initiated or expanded. Large scale conversion of sugar cultivation lands into future rice farms, the use of sugar cane by-products in both livestock feed and human food, small- to medium-sized canning operations, increasing livestock and dairy activity, and municipal drainage were all reported as Jamaican agricultural projects dovetailing with the mission's product content.

Richard F. Muenzer, a Commerce Department marketing specialist and the trade mission's director, reported that at the final stop in Santo Domingo, Dominican Republic — the fourth country visited—members substantiated the findings in the first three, that business contacts and agriculturalists are ready to proceed on many food related projects and have a close affinity to the U.S. market and techniques.

Leonard Conrad of Conrad, Inc., predicted record Dominican market growth especially in rice handling and storage equipment. Terry Stapleton of Dixie Canner Equipment Co., Athens, Ga., one of the busiest mission members in his promotion of light-capacity food-canning equipment, plans to work with Dominican canning objectives which include export of products to Latin communities in the United States. Merle Rowles of Honeybee Co., Inc., Everly, Iowa, a new-to-export member, described the Dominican Republic as very advanced in animal feed mixing and familiar with the liquid protein feed supplement concept. Rowles described an animal feed mill he visited as one of the most modern he has seen anywhere including the United States.

Three of the members, following their own advice that U.S. agricultural machinery and food equipment firms become involved in this international marketing challenge, went back immediately to prior mission stops before returning to the United States.

The mission was comprised of the following members, in addition to those already mentioned: Al Bown, Shivvers Enterprises, Inc., Corydon, Iowa; John W. Hamilton, Hyrotile Machinery Co., Nashua, Iowa; John E. Mocho, Ferrel-Ross, Oklahoma City; and Leonardo Salvador and Jose Kisner, local Ecuador and Colombia representatives respectively for Frick Co., Waynesboro, Pa.

GREEN PEA PREPARATION—*Mission member Terry Stapleton of Dixie Canner Equipment Co. (left) and leader Richard Muenzer tour Productos JaJa, largest Dominican canning plant, with owner Felix Rojas and Michael Skol of U.S. Embassy, Santo Domingo.*

Worldwide Business Outlook

Prospects For U.S. Trade With Taiwan Depend On World Economic Recovery

The worldwide recession in 1974 severely affected the economic performance of the Republic of China. Prospects for export of many U.S. products there, while good, are consequently less promising than a year ago, according to Robert T. Wallace, Commercial Attache at the U.S. Embassy in Taipei.

Assuming there is an upturn in the world economy in 1975, foreign trade should continue to grow but at a slower rate than in the past several years. An upturn and renewed inflow of export orders are essential to recovery of the export-oriented and badly depressed Chinese textile, plywood, plastics and electronics industries.

The annual growth rate of the GNP in 1974 as compared to 1973 declined from over 12 percent to a modest 1 percent. Government officials predict the annual growth rate in GNP will recover in 1975 to around 2-3 percent. Predictions are predicated on an economic upturn by mid or late 1975 in the major industrialized countries, mainly the U.S.

A major goal of the government in 1975 is to reduce the trade deficit, which in 1974 totaled US$1.4 billion (customs figures). The unfavorable balance with Japan alone was $1.4 billion; however, the Republic of China enjoyed a favorable balance with the United States of around $360 million. The overall deficit was reflected in the sharp rise in costs of not only petroleum but virtually all raw materials, manufactured goods, and foodstuffs.

Total foreign trade in 1974 increased by 52.5 percent over 1973 to a record $12.6 billion. Exports totaled $5.6 billion while imports jumped to $7.0 billion. Trade with the United States increased by 41.3 percent to $3.7 billion. Imports from the United States rose by 76.2 percent to $1.7 billion and exports to the United States increased by 21.5 percent to $2.0 billion. A sizable portion of the increase in value of both imports and exports is accounted for by price inflation.

Because of the recession, many industries, especially textiles and electronics, have shelved expansion programs and purchases or replacement of capital equipment. The United States would have been a source for some of this equipment.

TAIWAN PICKS BADGER AGAIN—*China Petrochemical Development Corp. (CPDC) has awarded a contract for design, engineering and construction advisory services for a 66,000 metric-ton-per-year acrylonitrile plant to the Badger Co., Cambridge, Mass., a subsidiary of Raytheon Co. Signing for Badger is Robert M. Stewart, executive vice president, flanked by S. F. Tung, president of CPDC. Standing (from left) are E. J. Whitehead, C. N. Faulstich and Hector Butler, all of Badger. The plant, scheduled to be completed in the spring of 1977, was the fifth major contract won by Badger in the Republic of China since mid-1973.*

Despite the recession, the government will, with one possible exception, push ahead with its nine major infrastructure projects. These projects include the North-South Freeway; railway electrification; a large integrated steel mill; a shipyard capable of building vessels over 300,000 DWT; a new port at Suao; expansion of the Taichung port; a new international airport near Taipei; extension of the railway from Suao to Hualien; and a large petrochemical complex. The one exception is that the timetable for certain of the projects comprising the petrochemical complex may be pushed back and others scaled down.

While some of the projects mentioned above are well under way, others are just commencing. Regardless of their stage of progress, they offer numerous opportunities for the sale of U.S. equipment and engineering services. On the North-South Freeway, for example, some $50 million worth of bridge construction should be of interest to qualified American contractors.

In a new effort to reduce its large unfavorable trade balance with Japan, the Republic of China Government is making a strenuous effort to encourage and force importers to source elsewhere than from Japan. The Board of Foreign Trade recently issued a list of some 800 items, the import of which from Japan is now prohibited. The list includes: foodstuffs; textiles—mainly ready-made wear; cosmetics and sundries; air-conditioning and refrigeration equipment; radio and phonographic equipment; motorcycles; hardware, etc. Many items included in the list could now be sourced in the United States.

The best sales potential for U.S. goods and equipment appears to be in: construction and roadbuilding equipment; materials handling equipment; traditional agricultural products such as soybeans, wheat, corn and cotton; telecommunications and electrical goods; certain chemical raw materials; semi-sophisticated machine tools, etc.

With the slowdown in the textile and electronic industries, demand for this type of equipment will be somewhat limited pending an upturn in the economy.

Price, in contrast to last year, has again become an important factor in purchase decisions. American firms seeking to sell in the Chinese market must be competitive. Also, the ability to make prompt delivery can make the difference between winning and losing a sale.

A full schedule of events at the Trade Center in Taipei is planned for 1975. Equipment scheduled for promotion includes: printing and graphic arts; metalworking and finishing; power generation and transmission; computers and related equipment; packaging; hotel and restaurant; and, automotive service. In addition, the Trade Center will spohsor catalog

shows and technical seminars. Trade missions include computers for industry in May.

In the summer, the newest and largest department store in Taiwan will feature an in-store promotion of American consumer goods.

All of these events will present excellent opportunities for the sale of goods and services in the Republic of China.

The investment climate in the Republic of China is characterized by Wallace as favorable, especially when compared to that of many developing countries. Following its policy adopted in 1974, the government will continue to seek foreign investment in capital intensive industries, particularly that which will introduce new and more sophisticated technology to the Republic of China. As in the past, investment proposals will, including those which are labor intensive, be considered on a case-by-case basis with regard to the contribution they will make to the economy. Efforts will be continued to induce prospective investors to locate outside the more heavily industrialized areas of Taipei and Kaohsiung. New industrial parks are being established as an inducement.

With the recession, the tight labor market has eased considerably as compared with 1974. With economic recovery, availability of labor could again become a problem, especially for labor intensive industries. The sharp rise in wages in late 1973 and early 1974 has tapered off and remained more or less stable during the latter part of 1974 and early this year. By and large, cost of labor in Taiwan is competitive with that of Korea, Hong Kong and Singapore.

U.S. interest in investing in Taiwan tapered off during the last quarter of 1974, probably due to the recession and corporate decisions to postpone new investment. Interest should pick up with economic recovery in the United States.

Areas of particular interest to U.S. investors are: petrochemicals; the automotive industry, including components; chemicals; materials handling; design and engineering; glassware; plastics; hotels; and industrial rubber goods.

Italy Eliminates Import Deposits

Italy has abolished the 10-month-old prior import deposit regulation requiring importers to deposit 50 percent of the value of certain imported goods in a non-interest bearing account with the Bank of Italy for six months. (See *Commerce Today*, May 27, 1974). The decision to terminate this measure, effective March 24, was based in part on continued improvement in Italy's non-oil trade balance. U.S. exporters of finished and semi-finished products should realize an upturn in sales to Italy as a result of the elimination of this regulation.

Bulgaria Wants Technology, Offers Favorable Business Arrangements

Prospects are favorable for U.S. firms wishing to do business with Bulgaria. While it would be unrealistic to underestimate the difficulties involved, Bulgaria remains a relatively untapped market giving possible entree into the Soviet Union as well as the other CEMA countries. It is interested in working out business arrangements with U.S. firms both in Bulgaria and in third countries, to some of which U.S. firms do not normally have ready access. Bulgaria has a growing skilled labor force, maintains a good credit rating, and has a good record for fulfilling its commitments.

Despite reaction flowing from passage of the Trade Reform Act, the possibility for increased economic relations between the United States and Bulgaria remains relatively good, according to the U.S. Embassy in Sofia. While the Bulgarian reaction to the Trade Act was milder than that of the USSR, Bulgarian leaders made it clear that "interference in purely internal matters is not a basis upon which Bulgaria would conclude a trade agreement with the United States." However, there are clear indications that in practice trade relations with the United States will continue as they have in the past, but that U.S. firms will be at somewhat of a disadvantage without Eximbank financing when contracts associated with the Seventh Five-Year Plan begin to be awarded later this year.

Bulgaria's economic performance during 1974 was somewhat uneven. Industrial production and national income increased 8.5 and 7.5 percent respectively, well below the planned figures of 11 and 10 percent but still quite respectable. Agricultural production suffered from a drought and there are indications the drought problems may continue through 1975.

This year is the last in the Sixth Five-Year Plan; it is expected to be one of consolidation, with previous plans and projects being finished and only few new initiatives undertaken. Details of the Seventh (1976-80) Five-Year Plan are expected to be announced later this year, and it is assumed Bulgaria will continue its emphasis on development of industry, particularly in the areas of machine building and metallurgy, chemicals, and computers and electronics, while at the same time concentrating on needed improvement in its agricultural sector.

With detente, Bulgaria became increasingly aware of the possibility of U.S. participation in a wide variety of its projects. The visit in April 1974 of Commerce Secretary Frederick B. Dent, the first U.S. cabinet-level visit to Bulgaria since 1963, was marked by the signing of a consular convention. In September Deputy Chairman of the Ministerial Council (now Deputy Chairman of the State Council) Ivan Popov, accompanied by a large delegation, paid a return visit to the United States during which time he visited a number of corporate headquarters in eight U.S. cities. His visit was highlighted by the signing in Washington of an agreement between the U.S. and Bulgarian Chambers of Commerce and Industry calling for creation of a Joint Economic Council.

While still quite modest, U.S.-Bulgarian trade in 1974 almost tripled over 1973, reaching (according to U.S. statistics) $30.7 million, apparently a historic high. U.S. exports to Bulgaria totaled $22.3 million while imports were $8.4 million. The apparent gap between exports and imports is somewhat misleading, since large amounts of tobacco purchased by U.S. firms have been placed in bonded warehouses in the United States and are not reflected in the figures. As in the past, the United States remains a marginal trading partner with Bulgaria; trade between the two countries in 1974 constituted an estimated 0.3 percent of total Bulgarian foreign trade.

The Popov visit highlighted the fact that Bulgaria considers the United States to be a leader in a number of areas, and is particularly interested in U.S. technology in such fields as agriculture and electronics. In the field of agriculture, Bulgaria has recently been importing large numbers of dairy cattle and swine, and is interested in heavy agricultural equipment and agricultural chemicals. It is planning to modernize or build new food processing plants for vegetable and fruit canning, meat produce, fish, dairy goods, beer, wine, and cigarettes, and it is investigating frozen food and freeze-drying processes. The changeover to large agro-industrial complexes is nearing completion, and in the district of Silistra a huge "vertically integrated" complex including everything from planting to final processing and packaging is on the drawing boards.

Bulgaria's production of electronics and computers has been expanding by roughly 25 percent annually in the last few years, and it is becoming an increasingly important producer of mini-computers, computer parts and components for the CEMA countries. Bulgarian purchases of U.S. computer equipment have increased considerably in the past year, and Bulgaria is interested in purchasing equipment as advanced as U.S. export controls will allow.

Areas in which Bulgaria is interested

in doing business with U.S. firms are not limited to the above, however. The Ministry of Chemical Industry is interested in building a score of new chemicals plants in the next few years, and many of the patents for the chemical processes desired are held by U.S. firms. The construction industry has expressed interest in heavy construction equipment from the United States, particularly for roadbuilding. A huge Third Metallurgical Complex is being planned for the Black Sea coast region, which could involve several U.S. firms. Given the high price of petroleum, Bulgaria is increasingly interested in possible exploitation of potential oil deposits in the Black Sea. It has also expressed interest in participation of U.S. firms in developing a newly discovered marble quarry, building cement plants and a shipyard, extracting alumina from shale deposits, and supplying equipment for such diverse industries as aviation and textiles.

The structure under which Western business firms may participate in complete plant projects such as those mentioned above was formalized in a law approved Aug. 31. The decree leaves little likelihood for any type of equity participation. Rather, it envisions that "industrial cooperation arrangements" will be reached whereby, in their most typical form, the Western firm would be expected to supply the equipment, technology, and know-how for a complete process (as well as to arrange for financing) and receive production as return payment. The decree is flexible as to details, however, and also allows for joint research and marketing arrangements with Western firms.

To date only a few minor industrial cooperation agreements are reported to have been signed, none by U.S. firms. The decree was designed by Bulgaria as a framework for obtaining the most advanced technology possible while conserving limited hard currency resources. In addition, it does not address a number of areas of concern such as taxation, although Bulgarian officials have indicated there is no intent to levy taxes on Western corporations or individuals.

Building Equipment Show Set For Plovdiv In June

The Bulgarian Government is welcoming participation by U.S. firms in an international exhibition of construction machinery, roadbuilding equipment, and building materials in Plovdiv, June 8-13. Sponsored by the Bulgarian Chamber of Commerce and the Ministry of Construction and Architecture, the event will include a symposium on building techniques. For details, contact: Michael Goodwin, Bureau of East-West Trade, Room 4816, U.S. Department of Commerce, Washington, D.C. 20230; telephone, 202-967-3352.

Moroccan Enterprises Look For Help In Tackling Big, Sophisticated Projects

Moderate deceleration of the Moroccan economy has continued into 1975, reports the U.S. Embassy in Rabat, although the expected implementation of planned projects will create significant opportunities for U.S. exporters and investors.

U.S. suppliers have been particularly successful in bidding on public works projects. Several large U.S. engineering firms are exploring Morocco as a location for regional representative offices. While Moroccan engineering and consulting enterprises are burgeoning, most cannot tackle large or sophisticated projects without the help of American or European technology and experience. This is an opportune time for U.S. firms to win a share of the market, which has historically been monopolized by the French.

Moroccan public sector expenditure has had to carry virtually the entire burden of maintaining employment and aggregate demand as private investors—reacting to both the clouded international economic outlook and the after-effects of the Moroccanization of foreign investment—have maintained a wait-and-see attitude. Nevertheless, due to its dominant position as residual supplier of 34 percent of the world's phosphates (especially essential as a basic source of fertilizer at a time of global food shortages), Morocco has found itself in large measure insulated from the worst effects of worldwide inflation and recession.

The country has not been without its problems, however. The delayed arrival of normal winter rains has resulted in the worst drought in 30 years. As little as 33 percent of the normal wheat crop may be harvested—though this estimate may rise to 40 percent if rains extend longer than usual into the spring. The increased cost of major imports—grains, vegetable oil, sugar, and petroleum products—virtually wiped out the substantial balance of payments surplus predicted for 1974 on the basis of the fourfold jump in phosphate prices which took place during the year. Only as a result of higher than expected remittances from Moroccan workers abroad did the year end with a virtual balance in international accounts.

Domestically, the rise in prices has accelerated over the past six months. Inflation for 1974 is unofficially estimated at between 14 and 16 percent, and has been reflected by worker unrest and a growing number of short strikes. Real growth may have been as low as 5 percent. Payments by the government to control the official cost of living by subsidizing basic commodities have stretched the central budget, posing a problem for the current year.

The above problems must be placed in perspective. Despite its difficulties, Morocco is much better positioned to withstand adverse world economic conditions than most other countries—either developed or developing. It possesses rich agricultural resources and with increased acreage coming under irrigation each year, the rapid spread of improved seed varieties, and plans for major improvements in stock breeding, its agricultural problems are not beyond solution. The government has invited international companies to bid on the construction of five new sugar mills, is looking for potential foreign partners for several new ranching operations, and is actively seeking the participation of major international agribusiness firms to undertake integrated production/processing/marketing operations in several attractive areas.

Higher phosphate prices and increased 1975 output will add perhaps $470 million to government revenues. Substantial amounts of oil-country grants and loans have also been forthcoming, and as the tightness of international money markets eases, additional borrowings from the Euro-funds market should, with luck, enable the government to cover budgetary requirements without being forced to let prices rise unacceptably or to cut back development plans excessively. As the year progresses and the government's success in this regard is observed, private sector investment should recover. Towards year-end, an acceleration of economic activity and a reduced rate of internal inflation should be evident.

The Moroccanization program adopted by decree on March 2, 1973, with varying implementation deadlines, requires 50 percent Moroccan ownership, majority Moroccan board membership, and a Moroccan national as president in specific commercial, financial, and some industrial fields. While such wholesale reorganization could not take place without some difficulties, most firms appear to be meeting Moroccanization requirements smoothly with several major companies having successfully made the transition to joint-ownership within recent months.

The current period of transition has nevertheless significantly slowed the pace of American and other foreign investment in Morocco, though at least one major firm that was "Moroccanized" within recent months is actively searching for new local investment opportunities for the proceeds from the sale of 50 percent of its shares.

Despite the Government of Morocco's desire to reorient the ownership pattern

of industry—as reflected in the Moroccanization decree—it continues actively to pursue foreign direct investors. During a recent visit by 35 senior U.S. business leaders, the Prime Minister devoted most of his time with the group to stress that Morocco's welcome mat is out. A week later, in company with senior Moroccan economic officials, he made a similar presentation to a visiting Congressional delegation. In this connection, the newly adopted Investment Code provides for substantial incentives—mostly in the form of tax holidays and repatriation guarantees to attract foreign investment to specific sectors, several of which are exempt from Moroccanization. The 1973-77 development plan targets these same areas for dynamic growth.

The "Investment Commission" which used to decide which investment projects were to benefit from incentives provided in the Investment Code has been replaced by an automatic procedure intended to make things easier for foreign investors, including reducing the time necessary for the bureaucracy to process applications. Furthermore, the former Bureau d'Etudes et de Participation Industrielles (B.E.P.I.) has been reorganized and staffed with qualified personnel under the new name of Office of Industrial Development (O.D.I). The O.D.I.'s principal purpose is to render aid and advice to investors, Moroccans and foreign alike. In some instances it may even enter into partnerships where this seems essential to create a going entity.

As a further incentive, financing is available locally through the National Development Bank (B.N.D.E.), the National Bank for Foreign Trade (B.M.C.E.), the Caisse Nationale de Credit Agricole (C.N.C.A.), and the Building and Touristic Credit Institution (C.I.H.) for long and medium-term loans; short-term and customary commercial credit are available through numerous commercial banks including the First National City Bank of New York. Several banks possess EXIM lines of credit for those qualified and interested.

Most promising areas

The most promising areas for potential U.S. investors may be summarized as follows:

Integrated Meat/Dairy Production: The five-year plan projects substantial spending to increase meat and dairy production. The major objective of the dairy program is to replace imports, which account for some $15 million per year, with domestic production. Almost all the meat production, on the other hand, is intended for export to Western Europe. The King Ranch already participates in a large-scale beef operation, and the Government of Morocco has expressed interest in seeing several other projects of similar scale in operation.

Growing and Processing Specialty Fruits and Vegetables: The Moroccan Government is anxious to attract agribusiness investment. It envisages the establishment of integrated field/factory operations in each of the several irrigated areas of the country. Such operations would take advantage of the favorable climate, low labor costs, and availability of highly fertile land, mostly farms taken over from former foreign ownership. Land would remain under Moroccan ownership but could be made available on long-term leases or in partnership with local owners. Joint operations with private cooperatives to produce specialty fruits and vegetables for export, particularly to Western Europe, constitute another possible approach. There is only one such integrated plant in Morocco at present.

Light Manufacture for Export: The Plan singles out for expansion and modernization the manufacture of certain export-oriented products such as electronic components, truck/car parts, ready-made cloth and hosiery/knitwear. Production is to be directed toward markets in the European Community, which levies no duties on Moroccan industrial exports.

Tourism: The future of the tourism industry appears attractive in Morocco, despite current high seasonality and the temporary slowdown arising from the North American-European recession. Nearly 1.5 million tourists entered Morocco in 1973, and 2.7 million are projected for 1977. Tourism is one of the priority sectors of the development plan, one top objective being expansion of secondary tourist regions such as the Far South and Mediterranean coast. The Investment Code gives maximum benefits for ventures in such areas. The Moroccan Hotel Credit Corporation (C.I.H.) will finance up to 70 percent of tourism investments.

Panama's Colon Free Trade Zone Can Facilitate Latin America Sales

The Colon Free Zone — the Western Hemisphere's largest free trade zone— accounted for more than one-third of Panama's total imports of $1.1 billion in 1974. John W. Stahlman, Commercial Officer at the U.S. Embassy in Panama, has prepared the following summary of activity in the Zone and advantages it can offer to U.S. companies in expanding sales to Latin American customers.

Combined import and re-export trade by Colon Free Zone firms has grown steadily since 1953 when operations began. This turnover index doubled every five years to reach an estimated $860 million in 1974. It would not be surprising to see this annual figure reach $1 billion in 1975. Import tonnage has grown even more rapidly in recent years: from 23,000 in 1968 to 82,000 in 1974 (in metric tons).

The number of firms having commercial, manufacturing and financial operations in the Free Zone nearly doubled from 180 in 1971 to 340 in 1974. Many of these are affiliates owned by foreign firms; most are local companies established to represent foreign suppliers. The number of foreign firms selling directly or via representation exceeds 700.

Colon's location adjacent to the Panama Canal's Atlantic terminal and the Port of Cristobal and near a hub of air and sea routes gives Free Zone firms quick access to regional markets. Colon, Cristobal and nearby Las Minas port are linked to Panama City and to the latter's Tocumen International Airport by a modern, high-speed highway. Cristobal and Colon are also served by a railroad along the canal axis and terminating at the Pacific Ocean port of Balboa (Canal Zone). Most imports arrive by sea (74 percent) and are re-exported by air (63 percent). Some 55 steamship lines and 24 airlines service Free Zone firms and their clients.

The 100-acre Free Zone and its 85 buildings accommodate a variety of trading, warehousing, assembly and processing operations. Leading U.S. companies are among the 20 drug and pharmaceutical firms processing, packaging and distributing products there. Several well-known publishing companies base regional operations at Colon. Most activity is concentrated in warehousing, display, re-packaging and distribution. Space limitations and wage rates above the Latin America average have discouraged the emergence of general manufacturing.

Among new companies beginning or expanding operations in the Free Zone during 1974 are Siemens, Schering, Singer and Miles Laboratories. The list of other companies there reads like a "Who's Who" of international trade.

Special incentives

The Colon Free Zone offers special tax incentives, duty exemptions and lease, ownership or export manager arrangements. The customary free zone fiscal incentives apply: import and export duties and 90 percent of income taxes on earnings are waived. Shipments to the Free Zone do not require the usual Panama consular invoice.

Any natural or legal person, national

or foreign, can operate in the zone. Sales can be conducted between companies within the zone to permit flexibility in serving foreign clients, but general-retail sales are barred.

Operations can be established in three ways:

- Rental of space from the Colon Free Zone Administration: Rent is paid monthly at $1.50 a square meter. Offices, showrooms and other facilities can be erected with prior approval of plans.
- Representation agreement with established Free Zone firm: The representative can provide storage, transport, processing, packing, documentation, billing and other services. (Under this and foregoing arrangement 60 percent of imports must be re-exported. The remainder may be sold in the Panama market).
- Common warehouse: The trader can utilize the Administration's warehousing facilities paying only in accordance with the volume of goods actually stored. Open air storage is also available on a similar basis.

Free Zone advantages

The Free Zone offers U.S. companies many advantages: more prompt and economical service, effective control through centralized sales, and reduction of inventory made possible by shorter supply lines, fast delivery and consolidated storage. Local, bilingual sales and management personnel have know-how in marketing and shipping products in accordance with intricate and often changing import regulations of the 20 or more countries of the region.

Regional buyers increasingly look to the Free Zone as a one-step source for a wide range of products backed by expert customer service. Shorter delivery lead times mean lesser amounts of their scarce capital tied up in goods in transit. They find that air shipment costs are often offset by savings in packing and pilferage and from fast delivery.

Many U.S. companies maintain regional sales headquarters in the Colon Free Zone. Their staffs operating in the Caribbean and Central and South America benefit from regular sales meetings and training seminars held at this central location. Those not yet ready to invest in a Free Zone facility of their own can secure representation by an established firm familiar with all aspects of commercial operations in Latin America. Under such an arrangement, the U.S. exporter can retain control of merchandise until sale completion.

A regional banking center, comprised of over 60 banks having aggregate deposits of over $5 billion, has emerged in Panama City over the past few years. Eleven U.S. banks are among over 45 foreign banks operating there. Many of these banks maintain branches in the Free Zone and Colon. U.S. exporters and their regional customers, alike, benefit from the financing and varied trade contacts available from this large banking community.

Panama's continued reliance on U.S. currency as a medium of exchange and the absence of exchange controls and licensing greatly facilitate Colon Free Zone operations.

Expansion plans

The Free Zone's rapid growth has nearly exhausted the available supply of low-cost land for warehouse construction. The City of Colon, of which the Free Zone is a part, is an enclave of Panama in the U.S.-controlled Canal Zone. New buildings now being erected are expected to be filled with new occupants by the end of 1975. About 14 acres of condemned buildings in Colon were razed for Free Zone expansion, but officials are reluctant to proceed with construction plans, as this rehabilitated land is non-contiguous with the main Free Zone tract.

Reports in late 1973 that the U.S. Congress might soon consider ceding relatively inactive France Field and Coco Solo Naval Base to Panama raised hopes for realization of an elusive goal: integral port and air cargo facilities with roll-on/roll-off capability. Free Zone officials are ready to erect a 400-meter causeway to join their 100-acre tract with these areas if and when they are acquired.

To meet more immediate needs, Free Zone management is considering the acquisition of adjacent residential and commercial blocks of Colon property and a more intensive use of existing space.

The expected completion in 1977 of the new Tocumen Airport and, by 1980, of a planned container port at Las Minas and a projected Colon-Panama City expressway should assure adequate transport capacity for expanding Free Zone trade.

Products cited by Stahlman as suited for Colon Free Zone trade range from automotive parts to textiles, with best prospects concentrated among those having high value-to-weight or volume ratios, such as consumer electronics, drugs and pharmaceuticals, cameras, cosmetics and toiletries, liquor and tobacco products. Other merchandise proven successful are camera film and supplies, books, small appliances, jewelry, watches, office machines, soft drinks and processed foods.

Many firms ship products to the Free Zone in large, often container-sized lots, to secure low shipping rates. Favorable air cargo rates for re-distribution from Panama result in overall cost savings. Free Zone firms also are instrumental in making large-lot sales which can be shipped direct from the manufacturer to the customer.

Inquiries may be addressed to: Colon Free Zone, P.O. Box 1118, Colon, Republic of Panama.

Foreign Interests Can Play Key Role In Guinea's Future

Guinea has good potential for economic growth, according to the U.S. Embassy in Conakry, and its proven mineral resources and extensive agricultural lands offer first-rate opportunities for American business.

For years the West African nation's gross domestic product has stagnated at an annual growth in the range of 2.5-2.8 percent. Per capita income, average life expectancy, etc., have been among the lowest in Africa. Yet Guinea—equal in size to Oregon with a population of over 5 million—is rich in natural resources and was in pre-independence times one of the richest agricultural states in Francophone Africa.

After independence in 1958 Guinea's French-style economic system was replaced by a new one guided by President Sekou Touré's revolutionary socialist philosophy. Economic progress has been slow, and per capita income has stagnated at about US$80 for more than a decade. Only investments in mining and manufacturing (predominately the processing of bauxite into alumina) have matched Development Plan targets. Most public investment has not led to significant increases in industrial output because of the emphasis placed on infrastructure projects, under-utilization of industrial capacity as the result of raw material shortages, and the small size of the domestic market.

Agriculture engages some two-thirds of the population and contributes more than one-half of total domestic production. A wide range of favorable natural conditions allows for considerable diversification. The major cash crops are coffee, bananas, palm kernels, pineapples, peanuts and citrus fruits. The principle food crops are rice, cassava, corn, fonio (a kind of millet), sweet potatoes and sorghum. Although total output of the agricultural sector has been increasing, the per capita output of marketed agricultural products has been declining.

Investments are safe

Foreign exploitation of the country's wealth offers the best hope of stimulating economic growth in socialist Guinea. President Sekou Touré is enough of a pragmatist to encourage private foreign investment in the exploitation of bauxite and iron. The President told Marshall Mays, President of the Overseas Private Investment Corporation (OPIC), who visited Guinea in 1974, that Guinea would warmly welcome American investment in any area. It is a matter of honor, said

President Touré, that private companies which invest in Guinea will never have reason to regret their action. Once full agreement is reached, any foreign partner would be sure that Guinea would fully honor its commitment, he said. "A foreign investment is justified only if it benefits natural richness existing in Guinea . . . The first element which must benefit from this investment is the Guinean people. The second element is assuring the partner the absolute guarantee of the just return on capital assets he has voluntarily invested in Guinea."

In 1973 and 1974 two bauxite mining joint venture operations with total investment of over $500 million came on-stream. Guinea, which has an estimated one-third of total world high-grade bauxite reserves, had production in 1973 of nearly 2 million tons; in 1975 it should exceed 8.2 million tons. Export earnings have made similar improvements. In 1973 total export earnings were $48.8 million; in 1975 they are estimated to reach $148 million. Two other consortia initialed preliminary agreements in late 1974 and January 1975 for bauxite mining and for locally processing part of production into the more valuable alumina. If these developments work as hoped, by the early 1980s some $3 billion would be invested in these new concessions.

Iron, gold and diamonds abound as well, though none are currently being exploited. Estimates of the diamond deposits in Guinea range from 500,000 to 200 million carats. The government is currently considering formation of a company in cooperation with Japan and several Arab countries to again exploit diamond deposits, which in 1961 produced 1.2 million carats.

Guinean iron ore mining ceased in 1967 with the exhaustion of mines near Conakry. However, Guinea has at least two billion tons of unexploited high-grade iron ore deposits. An international consortia, MIFERGUI, with 50 percent Guinean participation, is responsible for development of the rich deposits in southeast Guinea. Much remains to be done on this project, which in any case depends on construction of the Trans-Guinean railroad. The Guineans hope to start this enormous project with construction of a spur line to connect with the LAMCO railroad in Liberia, which would permit evacuation of iron ore by that route. Completion of the railroad, planned for the early 1980s, would not only permit full exploitation of iron deposits, but would also open up the rich resources, now untapped, of the southeastern forest region.

In the mining sector there is already $250 million of American direct private investment. The two new bauxite/alumina joint ventures, Société des Bauxites de Dabola (Yugoslav, Swiss and Guinean) and the Arab-Guinean Aluminum Company (several Arab states and Guinea), would need technical expertise and equipment that America has in abundance. The opening of iron deposits at Mounts Nimba and Simando with the complementary and expensive Trans-Guinean railroad project, which would be mainly used to transport the iron ore as well as bauxite from Dabola, are potentially enormous projects. American financing definitely, and possibly American engineering and construction expertise, would participate if these projects get off the ground.

Guinea was once a rich agricultural country and an important exporter of tropical foodstuffs. President Touré has said he wants American technicians to assist Guinea to make the transition to modern agriculture and livestock production. The government is interested in capital development agrobusiness proposals for tracts of several thousand hectares (1 hectare = 2.4 acres) in the Haute Guinée plain and the Niger River basin. Coffee has traditionally been an important export crop. There are indications that the government would be interested in contracting out plantations to foreign companies to improve export earnings in that sector.

Outside the investment possibilities described above and their associated sales opportunities, prospects for straight commercial deals are limited. The population is small and has a very low per capita income. The manufacturing sector is small and inefficient. Up to now the government, which has nationalized all productive sectors except mining, where it participates in joint ventures, lacks sufficient foreign exchange and offers insufficient incentives to allow large-scale profitable sales of American goods. Other areas that could be developed include fishing and road building and mining equipment.

The Embassy stands ready to assist. In the past, successful ventures have resulted from careful weighing of the economic-political environment combined with trips by French-speaking businessmen to Guinea. All ventures and sales require close and careful cooperation with the Guinean Government.

Canada Postpones Labeling Rule

A proposed change in the Canadian Government's Consumer Packaging and Labeling Act which would have restricted the use of certain appellations of origin, quasi-generic names and indications of provenance, published in the July 27, 1974, edition of the Canada Gazette, has been postponed indefinitely. Under the proposed change various items including cheese, beers, wines, liqueurs and tobacco products bearing names of foreign origin such as Beaujolais and Madeira wines or Muenster cheese were to have been prohibited from entering Canada. The marketing of similarly labeled Canadian products would also have been prohibited.

Nigeria Lists Banks Licensed To Handle Foreign Exchange

The Central Bank of Nigeria has issued a circular listing commercial banks "officially licensed and recognized as authorized dealers with powers to undertake banking businesses." The Bank notes that "our attention has been drawn to instances in which fraudulent Nigerian companies/individuals have represented themselves as authorized dealers in foreign exchange purporting to have powers to engage in banking activities and particularly issuing of documentary letters of credit to overseas companies/banks," and issued the list "to protect your nationals against the actions of these unscrupulous people."

The banks, headquartered in Lagos except where noted, are: African Continental Bank; Arab Bank; Bank of India (Nigeria); Bank of America (Nigeria); Bank of the North, Kano; Barclays Bank of Nigeria; Co-operative Bank, Ibadan; Co-operative Bank of Eastern Nigeria, Aba; International Bank for West Africa; Mercantile Bank, Calabar; New Nigeria Bank, Benin City; National Bank of Nigeria; Nigerian Acceptances; Pan African Bank, Port Harcourt; Standard Bank Nigeria; United Bank for Africa; Wema Bank, Ebute-Metta; United Dominion Trust; First National Bank of Chicago (Nigeria).

Uruguay Creates New Peso, Eliminates Consular Invoices

A "New Uruguayan Peso", signified by "N$", will be issued beginning July 1 to equal 1,000 of the "Old" pesos presently in use. (One U.S. dollar is equal to approximately 2,300 "Old" pesos.) Necessary legislation has been passed but Central Bank implementing regulations have not yet been issued. Ten million new one peso coins are expected to be minted in Chile. "Old" pesos will be converted into new or will be restamped as necessary. The new minting and issue is a logical development after inflation of more than 100 percent in 1974.

In another move, the consular invoice previously required for all shipments to Uruguay has been eliminated. Uruguayan consulates will still stamp commercial invoices "Factura Consular" but will collect no fees. The invoice must also include: (1) origin of merchandise; (2) name and flag of vessel, or name of air or surface carrier; (3) number of forwarder's cargo manifest; (4) number of bill of lading. This action, effective March 20, should greatly simplify paperwork and reduce time in preparing shipments to Uruguay.

Shippers Required By Law To Report Boycott Requests

American companies exporting to the Near East are violating Export Administration Regulations if they fail to report receipt of boycott requests to the U.S. Department of Commerce. Exporters are reminded that under an "anti-boycott' provision of the Export Administration Act, they are required by law to report any request for action or information which has the effect of furthering or supporting a boycott or other restrictive trade practice fostered by any foreign country against any other country friendly to the United States.

The report must be made on Form DIB-621, which is available from any Commerce Department District Office or from the Office of Export Administration, Room 1617M, U.S. Department of Commerce, Washington, D.C. 20230. U.S. firms having multiple transactions with the same foreign importer may file the report quarterly. Examples of boycotts or other restrictive trade practices are described in paragraph 369.3 of the Export Administration Regulations, also available from the above offices.

Boycott requests may be received in many different forms, may involve a variety of subjects, and may arise at any stage of a transaction. Some requests, for instance, may be in the form of questionnaires to be completed by the exporter, while other requests may take the form of a pledge, a certification, or a clause in a contract. The U.S. Government encourages and requests exporters to refuse to comply with a boycott request regardless of the form in which it is received.

Since the reporting requirements became effective in October 1965, almost all reports have related to requests made by Arab nations, most of which seek to persuade companies in third countries from establishing certain commercial relationships with Israel. Many firms, however, freely trade with both the Arab countries and with Israel.

The reports filed by U.S. firms indicate that inquiries by Arab states primarily include requests for certification that the goods in transit are of non-Israeli origin and certification that the carrying vessel and/or the firm insuring the shipment are not among those specified by the Arab states as unacceptable. (Requests related to the use or intended use of shipping facilities, made only to insure safe arrival, need not be reported).

Other reports reflect a request for a certification by the U.S. exporter that the exporter has no subsidiaries or financial interests in Israel.

International Business Reports

Survey of Mines 1975. 49th edition. Published by The Financial Post, Toronto. 320pp. $12.

This survey, as in previous editions, reviews recent performance and future plans of Canadian mining companies in the production and exploration-development stages.

This year the survey appears in a new format. It divides company entries into three sections: major producing and exploration companies; active companies whose stature is not yet sufficient to warrant inclusion in the first section; and other companies including those whose status is in doubt. Extensive tabular material and a 32-page map section are included.

Write: The Financial Post, 481 University Ave., Toronto M5W 1A7.

The Frightening Angels: A Study of U.S. Multinationals in Developing Nations. By Anant R. Negandhi and S. Benjamin Prasad. 249pp. $20.

This empirical study focuses on the impact of multinational corporations on the developing nations in which they operate, particularly in terms of their effect on indigenous management attitudes, practices and problems. It was carried out in Argentina, Brazil, India, the Philippines and Uruguay, with a view toward seeking similarities and differences between the experiences of these five developing countries with multinationals.

The authors found the results of the study to be a mixed bag: multinational corporations are both angelic and frightening to their hosts. While they help the economy of the host country, important decisions are made back in the home office, adding to tensions already present between differing cultures and traditions.

Write: The Kent State University Press, Kent, Ohio 44240.

The Businessman's Guide to Washington. By William Ruder and Raymond Nathan. $8.95 hardcover, $4.50 paperback.

"Government produces aids and services which are incredibly valuable to business, but unfortunately most businessmen do not know about . . . them," state the authors. This guide offers a roadmap through the Federal Government's bureaucratic maze, pointing toward a wealth of often-overlooked assistance and information available at little or no cost. Listed are hundreds of Federal programs helpful to business. Also included is a section on the logistics of Washington, telling the businessman where to find all types of supplies and services—from a tuxedo to a temporary secretary.

Write: MacMillan Publishing Co., Inc., 866 Third Ave., New York, N.Y. 10022.

Calendar For World Traders

April 15—New York—FCIB Hardware-Automotive & Allied Trades Group luncheon meeting, Advertising Club.

April 15 — Chattanooga — World Trade Council meeting, YMCA.

April 16—New York—International Executives Assn. luncheon meeting, Summit Hotel.

April 16 — Kansas City — International Trade Conference, Kansas State University. Edward J. Krause, Director of Commerce's Office of International Marketing, will speak on Developing Market Opportunities Abroad.

April 17—New York—New York Chamber of Commerce and Industry luncheon meeting, Hotel Commodore.

April 18—Houston—World Trade Conference. Allen J. Lenz of Commerce's Bureau of East-West Trade will speak.

April 21-22—New York—Seminar on International Finance for the Non-Financial Executive, World Trade Institute.

April 23-25—Los Angeles—Workshops on Pacific Basin and Latin American Venture Development, International Hotel. Sponsor: International Executive Institute.

April 28—Brussels—FCIB International Round Table Conference on Finance, Credit & Collection Problems, Brussels Hilton.

April 29—Raleigh, N.C.—Seminar on Doing Business With the Major Oil Producing Countries of the Near East. Speaker: Roger McCauley, Deputy Director, Commerce Action Group for the Near East. For information, Greensboro Commerce District Office, 919-275-9111, ext. 345.

April 29—Washington, D.C. — American Bar Assn. Investment Institute program. Arthur Downey of Commerce's Bureau of East-West Trade will speak on Financing Investments in Eastern Europe.

April 30 — Owensboro, Ky. — Export Workshop, Brescia College.

April 30—Hot Springs, Va. — American Brush Manufacturer's Assn. Convention. Merritt Freeman of Commerce's Office of Export Development will discuss ABC's of Exporting.

April 30-May 1—Chicago—38th Annual World Trade Conference, Hyatt Regency Chicago. Sponsors: Chicago Assn. of Commerce and Industry, International Trade Club of Chicago.

April 30-May 2—New York—Technical Session on International Taxation, World Trade Institute.

Worldwide Business Opportunities

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors abroad. One of the major means for communicating these opportunities promptly and accurately to the U.S. business community is through the columns of this magazine.

The section that follows presents details about U.S.-sponsored exhibits abroad, licensing and joint venture proposals, opportunities to sell to foreign enterprises and appoint agents, and details on major construction and expansion projects.

U.S. Promotions Abroad

For more facts on these and other U.S. exhibitions write: Director, Office of International Marketing, Rm. 4015, U.S. Department of Commerce, Washington, D.C. 20230. For trade missions: Rm. 4219, U.S. Department of Commerce, Washington, D.C. 20230.

Hospital/Medical Equipment (Joint Export Establishment Program—JEEP). U.S. Trade Center, Sydney, May 5-7. The medical equipment industry is one of the fastest growing markets for U.S. firms. Increased government spending in addition to monetary revaluations, make U.S. products very competitive, and most of Australia's requirements must be imported. M. R. Sherar, 317-633-4537.

U.S. Computers for Industry Trade Mission to Hong Kong, Taiwan, and Singapore. May 8-22. Market research has identified a range of computers and related products which offer sales potentials in these important markets. Ed Oliver, 202-967-3746.

Plastics Processing Equipment Catalog Show. Buenos Aires. May 12-16. The Argentine plastics processing industry consists of some 1,500 firms. Imports of equipment total about $1.2 million per year and are expected to grow at about 15 percent annually during the next five years. Robert E. Peterson, 202-967-3973.

Airconditioning and Refrigeration Equipment Exhibition. Frankfurt Trade Center. May 13-16. This event will feature equipment for the commercial, industrial and residential markets. The current German airconditioning equipment market is estimated at about $301 million, of which about 22.5 percent or $68 million is manufactured in the U.S. By 1976 the market is expected to be about $458 million, of which $91.7 million will come from the U.S. The refrigeration market is expected to increase 5-8 percent annually. Don Schmadel, 202-967-2177.

Construction Equipment and Building Materials Exhibition. Milan Trade Center. May 16-20. The Italian construction industry ranks high internationally, with operations throughout the Mediterranean area, Africa, and elsewhere. U.S. products in many categories are now very competitive due to currency realignments and higher inflation levels in competing countries. This event runs concurrent with Cemento Expo, International Exhibition of the concrete industry at the same Fairgrounds. Peter Wilson, 202-967-2434.

Fishing, Boatbuilding and Marine Equipment Catalog Exhibit. UAE, Iraq and Oman. May 18-26. Feasibility studies are being conducted and up-to-date equipment, more modern small ports, and improved communications will likely be a part of development. The present small U.S. share of imports of boats and marine equipment should grow in volume with increased modernization. Call Robert E. Peterson, 202-967-3973.

Technical Sales Seminar on Advanced Metalworking and Metal Parts Finishing Equipment. Yugoslavia, Austria and Spain. May 26-June 14. In response to strong and growing demand for American metalworking and metal parts finishing equipment in these countries, Commerce will arrange a seminar for seven American manufacturers. There will be seminar presentations in Dubrovnik, Yugoslavia; Vienna; and Bilbao, Spain, to discuss the state of the art in the U.S. and hold meetings with key managerial and technical personnel and discussions with purchasing authorities. W. Bradley Tyrrell, 202-967-5285.

Electronic Industry Production and Test Equipment Exhibition. U.S. Trade Center, Tokyo. June 2-6. The market in Japan for this type equipment is buoyed by the rapidly expanding markets, domestically and worldwide, for the massive output of Japanese electronic goods—expected to reach $20 billion by 1975—and the requirements of Japanese electronic manufacturers for production and test equipment—estimated to reach $215 million by 1977, up 40 percent from 1973. In 1975 the Japanese Government intends to remove any restrictions on investments and imports of this equipment. Don McDonough, 202-967-2461.

Commercial and Industrial Security Equipment. U.S. Trade Center, London. June 2-6. Fire and crime security is one of the United Kingdom's important growth markets. The market for security devices is $320 million, split nearly evenly between fire and crime security. U.S. price levels for security equipment are above those for equivalent British products, but where products are suitable for a specific application this is unlikely to inhibit sales. Thus the United States is expected to continue as the leading supplier of imports in this field. Jim Lamont, 202-967-4543.

Minicomputers, Terminals and Peripherals Exhibition. Milan Trade Center. June 3-7. The minicomputer segment is the most dynamic growth area of the computer industry. Estimates for 1976 forecast an increase of 111 percent over Italy's 1973 import figure. Computer installations are now being better matched to the intended function. The market for terminals and peripherals is also rapidly expanding, since they are used both in new systems and in upgrading existing computer installations. Mara Yachnin, 202-967-4975.

Industrial Process Controls Exhibition. U.S. Trade Center for Scandinavia in Stockholm. June 9-13. U.S. manufacturers of industrial process controls will find a highly receptive market in the Scandinavian countries, where demand is projected to increase substantially in the next four years. High labor costs, expanding activity in petroleum and chemical industries, and buoyant export demand for paper products are spurring investments in advanced process control instrumentation and accessory equipment. The 4-country market, supplied mainly by imports, is currently estimated at over $100 million with a 15-20 percent annual growth rate foreseen through 1978. Robert J. Blake, 202-967-2797.

Telecommunications Technology Seminar to Morocco, Algeria and Tunisia. June 9-20. Over $178 million will be allocated by governments of these countries for construction, expansion and modernization of telecommunications systems, according to current development plans. These countries have a preference for American technology and equipment. Emphasis will be on telecommunications and data transmission, including satellite communications, microwave transmission, data terminals and communications, mobile radio, and closed circuit and cable TV systems. Fred E. Crosley, Jr., 202-967-5285.

Business Equipment Catalog Exhibition. Lagos. June 10-16. A sustained rate of growth in sales of business equipment and systems should occur as Nigeria proceeds with numerous industrial and infrastructure developments made possible by increased oil revenue. Consumption of business equipment and systems is estimated at $9 million for FY 1975 and $12 to $15 million per year for FY 1976 and 1977. There is no local production of business equipment. U.S. exports of business equipment to Nigeria will grow an estimated 11 percent annually. Robert E. Peterson, 202-967-3973.

Construction, Building and Mining Equipment Catalog Exhibit at the 16th Annual Lisbon International Industrial Exposition. June 11-22. In order to modernize its economy and raise living standards, Portugal is aware that it must increase imports of capital goods. Major projects under consideration will require a wide range of machinery and equipment for heavy construction, mining, and housing including hardware and small hand tools. Robert E. Peterson, 202-967-3973.

Pollution Control Exhibition. U.S. Trade Center, Mexico City. June 16-20. The present Mexican Administration has made pollution control one of its highest priority programs. This federally coordinated pollution control program has increased demand for necessary equipment beyond earlier projected programs. Phil Christenson, 202-967-5038.

U.S. Recreation and Sports Equipment/Toys and Games (JEEP). Sydney Trade Center. June 17-19. Australian imports of these products totaled $120 million in 1973 and are forecast to grow by 10 to 15 percent annually. U.S. exporters are price competitive in many areas and enjoy the advantages of originality in design, quality, and variety in product lines. Inflation was 14 percent in Australia in 1973, 20 percent in 1974. Tariffs have been reduced, English competitors are losing tariff preferences, and imports are surging. T. Sunohara, 206-442-5615.

Household Textile Products (JEEP). Milan Trade Center. June 17-19. With a population of over 55 million and a relatively high per capita income of $2,550, Italy constitutes a large market for household textile products. Department store buyers have found that American items have strong appeal on the Italian market. Only U.S. firms not currently selling in Italy may participate. Ann Corro, 202-967-2434.

Kinshasa International Fair (FIKIN). June

21-July 6. A U.S. exhibition sponsored by the American Embassy will feature a variety of products and services aimed at the expanding Zairian market. Apply directly to: Ollie Ellison, Economic/Commercial Section, Am Embassy, Kinshasa, APO New York, N.Y. 09662. For limited background information, Robert Vigneault, 202-967-4304.

Air and Water Pollution Control Exhibition. U.S. Trade Center, Mexico City. June 23-27. The Mexican Government has passed stringent laws to control air and water pollution. The enterprising U.S. manufacturer who vigorously pursues this market will find it a gold mine. Phil Christenson, 202-967-5038.

Energy Systems Exhibition. U.S. Trade Center, Taipei. June 23-27. Continued industrial expansion on Taiwan, particularly in heavy and chemical industries, offers many opportunities for sale of pumps, valves, compressors, standby power generation systems, switches, transformers, and circuit breakers. Most must be imported; imports, over $50 million in 1973, are projected to near $80 million in 1976. Carol Murray, 202-967-2215.

Hospital and Medical Equipment Solo Exhibit. Caracas. June 24-28. Venezuelan Government health care programs are receiving vigorous impetus in the form of new hospital construction and expansion of public health service activities designed to considerably broaden the range of medical services available to the public. In addition, stricter regulation of public and private health facilities will create an immediate demand for the whole spectrum of biomedical products. Equipment purchased by the government and private entities is expected to run from $20-30 million in 1975 alone. Vicky Eicher, 202-967-4546.

U.S. Metalworking and Metal Finishing Equipment, Sydney Trade Center. June 30-July 4. Australian imports of metalworking equipment are forecast to double from $73 million in 1972 to $146 million in 1978. Two-thirds of the metalworking equipment used in Australia is imported and this trend is expected to continue. U.S. equipment is much more price competitive than in previous years, especially against German competition. Also, English exporters are losing tariff preferences. Bob Kelly, 202-967-2425.

Shipbuilding & Ship Repair Equipment Exhibition. U.S. Regional Trade Center, Singapore. July 22-25. The timing is appropriate for U.S. initiatives on an expanded scale to sell marine equipment in this market. In 1973, this industry netted total revenue of about US$202 million, up from $16 million in 1965. It is the largest single employer in Singapore, after the government, with a workforce of 24,000 employed in some 50 registered shipyards. The business of ship repair and support of offshore oil activities should continue to expand and projections indicate that by 1980 revenue should top $302 million and employment 40,000. J. Lee Barnes, 202-967-3893.

Ocean, Marine Instrumentation Exhibition. U.S. Trade Center, Tokyo. Aug. 4-8. Japan's small size and the virtual absence of exportable deposits of natural resources have caused the Japanese to expend considerable resources in investigating potential of the ocean. The current Japanese budget for ocean research and development totals $99 million. The private sector is expected to commit approximately $127.7 billion between 1970-80. Particular attention is being directed toward offshore oil and natural gas exploration. Bob Watkins, 202-967-4057.

Industrial Security and Safety Equipment Exhibition. U.S. Trade Center, Mexico City. Aug. 4-8. Mexican consumption of security and safety equipment has been growing at an annual rate of 13.5 percent. Market demand is met primarily by imports because Mexican production is limited to basic equipment. Mexican customers prefer U.S.-made equipment, and the U.S. enjoys a 50 percent share of the growing Mexican market for industrial security and fire protection equipment. Call Fred Tower, 202-967-3636.

Aviation Electronics and Ground Support Equipment Trade Mission To Nigeria, Botswana and Zaire. Aug. 4-18. Sales of all communications and flight instrumentation commonly found in civilian aircraft, and all terminal support equipment, as well as products used to test and service aircraft and aircraft engines, will be promoted. All three countries give high priority to airport and related electronics and ground support equipment in their development plans. Nigeria has a massive airport expansion program and abundant foreign exchange from oil revenues. Copper is the keystone of the economies in Zaire and Botswana. Bill Bushwaller, 202-967-4511.

COMPUTECH '75—Computers and Related Equipment Exhibition. U.S. Trade Center, Taipei. Aug. 18-22. Between 1975 and 1977 Taiwan's consumption of computers and related equipment is expected to grow at a rate of 25 percent per year. Taiwan, with an ambitious development program, is expected to import annually computers and equipment valued at $14 million. This exhibition, including seminar presentations by participants, is being held at the same time as the 4th International Computer Symposium (ICS '75) for East Asia in Taipei. The exhibition will be limited to 20 U.S. firms. Call Harry Stringer, 202-967-5200.

Advanced Building and Construction Equipment Exhibition. U.S. Trade Center, Mexico City. Sept. 1-5. The Mexican market for building and construction machinery and equipment is growing at a rate of 11 percent per year. U.S. equipment, which enjoys an image of very good quality backed by good service, traditionally commands a 50 to 60 percent share of the total market for this equipment. An ambitious national housing plan calling for construction of 500,000 low-cost homes by 1977, is just one of the Mexican Government programs offering opportunities to U.S. manufacturers of construction and building equipment. Call Mary Wiening, 202-967-5037.

Business Equipment, INTERORGTEKHNIKA-75, International Exhibition. Moscow. Sept. 2-16. Soviet imports of business equipment from the industrialized West have tripled since 1967 and are expected to increase another 66 percent by 1977. Soviet specialists regard the U.S. as the world's foremost producer of modern business equipment. Jim Robb, 202-967-4810.

Food and Tobacco Processing. International Fair, Plovdiv, Bulgaria. Sept. 3-10. Agriculture accounts for 25 percent of the Bulgarian GNP and over 30 percent of exports. During the next year Bulgaria intends to spend $220 million in modernization and expansion of plants and facilities, and is anxious to use American technology and equipment to help improve output and efficiency. Cooperation with foreign firms is now possible and encouraged. Joseph Eblan, 202-967-5163.

Packaging Machinery and Equipment (JEEP). U.S. Trade Center, Taipei. Sept. 8-11. Scheduled to coincide with the annual convention of the China Packaging Institute in Taipei. Commerce market research indicates that Taiwan's demand for imported packaging machinery will reach $12.5 million in 1977, a substantial increase over 1974 imports of $9.8 million. Roy Mitchell, 202-967-2051.

Process Controls and Material Test Equipment. International Fair, Brno, Czechoslovakia. Sept. 10-18. Czechoslovakia is one of the most industrialized countries of Eastern Europe and presents a large market for controls and test equipment, especially in the chemical, textile and food processing industries. The Brno Engineering Fair is one of the largest in Eastern Europe, with annual attendance of over 400,000. Buyers from all of the COMECON countries typically attend this event. Jim Bushery, 202-967-5163.

Fluid Power Technology. U.S. Trade Center, Paris. Sept. 15-18. U.S. manufacturers have an exceptional opportunity to increase sales and establish representation or other business relationships in the French market. Many new factories are being constructed and old ones modernized. Due to rising labor costs, French management is seeking methods of improving manufacturing processes and automating operations. In 1974, French purchases of hydraulic and pneumatic equipment and parts were $372 million. Imports accounted for about 51 percent of the French hydraulic market and 56 percent of the pneumatic market. Bill Dawson, 202-967-4941.

Electronic Components. Stockholm Trade Center, Sept. 22-25; Frankfurt Trade Center, Sept. 30-Oct. 3. U.S. manufacturers and suppliers of electron tubes, solid state devices including transistors, integrated and other semi-conductors, capacitors, resistors, connectors, switches and other passive components may participate in one or both events in this "tandem" exhibition. The U.S. is a leading supplier of electronic components in Sweden. A 10 percent annual rate of increase in Sweden's imports of electronic components is expected through 1977. German imports of electronic components are forecasted to reach $510 million by 1977. Both countries' growing requirements for advanced components, coupled with their need to establish additional sources of supply, will enhance prospects for further U.S. market penetration. Maurice A. Peter, 202-967-4256 or Mike Frisby, 202-967-3748.

Fluid Power Exhibition, U.S. Trade Center, Milan. Sept. 23-27. U.S. products dominate the Italian market in high technology hydraulic equipment, especially that needed for applications requiring pressure of over 2,000 P.S.I. The squeeze on profit margins and high labor costs have further stimulated interest among Italian firms and the market is expected to exceed $200 million by 1976, of which $60 million will be imported. U.S. products with high sales potential include hydraulic pumps, motors and valves, servo-systems, gauges and indicators, pressure transducers and rotary compressors. John Priamou, 202-967-2434.

Advanced Business Equipment Exhibition. U.S. Trade Center, Mexico City. Sept. 29-Oct. 3. Mexican consumption of modern business equipment has increased at an annual rate of 10 percent, reaching almost $90 million in 1974. Imports meet more than two-thirds of total Mexican demand for business equipment, and U.S. manufacturers supply 53 percent of total imports. Vigorous growth in sectors such as petroleum, steel, tourism, banking and government administration insures that demand for this equipment will remain high. Phil Christenson, 202-967-5038.

Advanced Medical Equipment Exhibition. U.S. Trade Center, Tokyo. Oct. 4-9. By 1976, Japan will be importing $67 million of biomedical equipment, 50 percent or $34 million of which will come from the United States. Now is an excellent time for U.S. manufacturers of advanced medical equipment to take advantage of Japan's efforts to increase its medical research programs, improve rural health care delivery systems, and expand facilities for the aged and those afflicted with

pollution-related disease. John Wolf, 202-967-2461.

Nuclex '75. Basel, Switzerland. Oct. 7-11. Nuclex is the largest, most important international trade fair for the nuclear industry. When last held in 1972, it had over 320 industrial exhibitors representing 22 countries and attracted an audience of 16,000 buyers from all over the world. The market for nuclear equipment and accessories is expanding as commercial use of nuclear technology increases and this internationally known exhibition will offer U.S. manufacturers the opportunity to be seen by decision-makers and executives of enterprises interested in the nuclear field. Mara Yachnin, 202-967-2762.

Printing and Graphic Arts (JEEP). U.S. Trade Center, Tehran. Oct. 12-16. Iran's foreign exchange earnings are expected to almost triple to $18 billion in 1974-75 over last year. Iran has a ten-year program to teach all the economically active population to read and write. Book production has more than quadrupled since 1966. Printing and graphic arts equipment in demand in Iran ranges from that used in commercial printing, through printing of newspapers, periodicals and books. Karl Reiner, 202-967-4441.

Machine Tools and Metalworking Equipment (JEEP). Seoul. Oct. 14-17. The market for machine tools and metalworking equipment is growing rapidly as Korea becomes an industrialized nation. Commerce estimates 21 percent annual growth for imports of metalworking machinery of all types for the next five years. Welding equipment, metal cutting and metal forming machine tools and quality control equipment have best sales potential. Carol A. Murray, 202-967-2215.

Data Communications and Peripheral Equipment. U.S. Trade Center, Paris. Oct. 20-23. This exhibition is the third Commerce has sponsored in Paris for these product categories; the previous shows were large sales successes. Demand is expected to be higher than before, as rapid development of telecommunications provides excellent growth potential for data communication terminals and other EDP peripheral equipment. Special arrangements will be made for participants who wish to also attend Systems '75, Munich, Oct. 27-31. Chuck Whitley, 202-967-5381.

Systems '75. Munich. Oct. 27-31. Systems '75, one of the world's most prestigious computer industry shows, is a biennial event open to manufacturers and suppliers of computer hardware and software, peripheral equipment, and computer services. The previous show, Systems '73, proved to be an outstanding success for the 60 U.S. exhibitors. Floor sales totaled $2.1 million with projected twelve-month sales at $146 million. Chuck Whitley, 202-967-5381.

Agriculture, Water and Food Equipment, AGWA-FOOD International Trade Fair. Tehran. Oct. 31-Nov. 6. Iran continues to be one of the fastest growing markets for U.S. exports in the world. Our exports almost tripled last year to a total of $1.7 billion. In the Iranian Fifth Plan, 1973-78, agricultural development has been assigned key priority. More than $4 billion will be invested in means to produce, process, transport and market foodstuffs. Particular emphasis will be given to increasing the area under irrigation, increasing silo capacity, expanding red meat and milk production and increasing farm productivity by formation of larger farm units through cooperatives and agribusiness enterprises. The Iranians are determined to translate their agricultural plan objectives into reality. This offers outstanding export sales opportunities to U.S. manufacturers. William S. Gaines, 202-967-4441.

Air & Water Purification & Pollution Control Equipment Exhibition. U.S. Trade Center, Milan. Nov. 6-12. Recent market research reveals that this is one of the Italian economy's fastest growing sectors. From a volume of $87.6 million in 1973, the Italian market is expected to jump to $386.8 million by 1978, an average yearly increase of 35 percent. This spectacular growth in demand for pollution control equipment caught Italian industry completely off-guard and they were not prepared to meet it. Consequently, imports in 1975 will be about $41 million and it is predicted they will jump to over $68 million in 1978, an average yearly growth of 19 percent. Mara Yachnin, 202-967-2762.

Microwave Components and Instrumentation Exhibition. U.S. Trade Center, Tokyo. Nov. 10-14. The Japanese microwave market is structured to accommodate imports based upon high technology, sophistication and quality. U.S. products which feature special surface processing, top quality raw materials and highly reliable precision made durable moving parts are much in demand in Japan. Their newly applied microwave technology is three to five years behind ours. Market information based upon microwave research recently prepared in Japan for this exhibition is available. Mara Yachanin, 202-967-2525.

First International Metalworking Fair. Sao Paulo. Nov. 20-30. The outlook for U.S. exports of metalworking and finishing equipment to Brazil is extremely good. The U.S. exported $52 million worth of metalworking equipment to Brazil in 1974, our largest market after Canada. In spite of expanding production capacity of domestic manufacturers, demand for imports of highly sophisticated metalworking equipment is expected to expand rapidly over coming years. In 1978 domestic production of metalworking equipment is expected to reach $83 million while imports are expected to go as high as $819 million. Sam Bevans, 202-967-4173.

Licensing, Investment Abroad

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. "P" numbers should be used when responding to any of the specific proposals listed.

WTDR indicates that a World Traders Data Report containing financial and background information on the foreign firm is available for $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230, or from any Commerce District Office.

OPIC indicates that the country involved is eligible for investment insurance coverage and financing from the Overseas Private Investment Corporation. Information regarding applicable coverage may be obtained from OPIC, Washington, D.C. 20527.

GHANA—Company is seeking contacts with U.S. firms which would consider investments in the following: **tourist resorts, city hotels, motel construction, luxury bus and car rentals, vegetable farming and food handling, cattle ranching,** and **fishing.** Managing Director, Ghana Tourist Development Co., Ltd., P.O. Box 8710, Accra. Cable: TOURDEV Accra; telex, 2140; telephone, 74236. P-75216. OPIC.

KOREA—Seeks to locate U.S. firms interested in providing technical know-how for manufacture of **rock wool and fiber glass products,** such as home insulation mats and felts, tex board, wallboard, and rigid boards for ship construction. Presently produces rock wool insulations (pipe cover, blanket, felt, loose wool) and calcium silicate insulations (pipe cover, board and powder). Also manufactures roofing slate, asbestos-rubber products and fire proof building interior material such as ceilings and board. Contact: In-Bae Kim, Manager, Rock Wool Department, Hankook Slate Ind. Co., Ltd., CPO Box 5839, Seoul 100. P-75236. OPIC.

1099—SRI LANKA — Seeks collaboration with U.S. firm to **mine and process ilmenite deposits** in the Pulmoddal area of Sri Lanka. Government authorities are considering establishment of 20,000 tons-per-year titanium slag plant using electro smelting process. Production of titanium dioxide substantially for export is envisioned as possible stage two development. Contact: Anura R. Weeraratne, Additional Secretary, Ministry of Industries and Scientific Affairs, 48 Jinaratana Mawatha, Colombo 2. A five-page report with additional details is available from Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-75217. OPIC.

2221—YUGOSLAVIA—Consortium of Yugoslav firms plans to build new factory to produce annually about 20 000 tons of various types of **polyester fabrics.** U.S. engineering and project management, production equipment, technology and assistance in arranging financing is sought. Joint venture arrangement preferred. Finished goods will be marketed in Western Europe and the Soviet Union. Additional information available from Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-75218. OPIC.

2515—FIJI—Licensing arrangement is sought with a leading U.S. company to manufacture **mattresses, inner springs and bed bases.** Firm is subsidiary of one of Fiji's largest conglomerates and manufactures variety of products. Interested firms are requested to send company background to Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230 for transmittal to project proposer. P-75219.

2515—JAPAN—Trademark license is sought with U.S. producer of **lightweight box springs.** Established in 1954, company manufactures complete beds, employs 64 persons. Interested firms should send company background to Foreign Investment Services Staff, Office of Export Development, Room 4021, U.S. Department of Commerce, Washington, D.C. for transmittal to project proposer. P-75220.

2641—JAPAN—Seeks licensing arrangement to manufacture and sell in Japan and overseas, **pressure sensitive strapping tapes** for industrial and institutional use, **pressure sen-**

sitive tapes for electrical insulation and other similar purposes, and **other adhesive paper and/or tapes** that can utilize Japanese firm's coating techniques. Firm would prefer to obtain U.S. technical know-how which would be considered new and unique to Japanese market. Would also be willing to consider joint venture. Presently produces and distributes gummed tapes for packing, sealing, veneer and plywood, pressure sensitive adhesive paper, thermo sensitive adhesive paper, tape dispensers, automatic sealing and taping machines, labeling machines. Established in 1927, employs 800; owns and operates three large plants. Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-75233.

2812, 2821—TURKEY — Seeks technology and possibly equity for plant to produce 10,000 tons per year of **polyether,** with projected doubling of output within five years. Facility will include separate **chlorine facility** with initial capacity of 15,000 tons annually, to be enlarged to 27,000 tons per year. Interested U.S. firms should submit proposals based on the mercury method and/or the diaphragm method of producing chlorine. Turkey's present annual demand for 7,000 tons of polyether is expected to grow by 20 percent per year. Total project is valued at $18 million, and U.S. partner may acquire 49 percent of company stock. Collaborator will be required to select production machinery, and provide technicians to assemble equipment and supervise trial production. Firm established 1970, is medium-sized producer of plastic foam. Polietkim Petrol Urunleri Sanayi ve Ticaret A.S., Valikonagi Caddesi No. 7, Kat 2, Harbiye, Istanbul. P-75242. OPIC.

2819, 2834, 2869, 2899—GERMANY—Seeks to acquire technology to manufacture the following: Zeolites (a group of aluminosilicates of sodium, potassium, calcium, and barium containing loosely held water), molecular strainers, and special clay minerals (special alumina); special cement; auxiliaries used in paper and textile industries; products used in water treatment; auxiliaries used for surface treatment of metals; corrosion inhibitors; food industry chemicals; raw materials and auxiliaries used for detergents; pharmaceuticals specifically for stomach and heart ailments; coatings for foils and textures/tissues for industrial purposes; industrial adhesives including those used for shoe industry; raw materials used in fertilizer industry; and special products used in shoe industry. Firm is a leading chemical producer established in 1823 and employing 2,600. Dr. Horst Pohland and Dr. Manfred Haerter, Directors, Gebr. Giulini GmbH, D-67 Ludwigshafen/Rhein, Giulinistrasse. Cable, Giulini Ludwigshafen; telex: 0464842 A/B; telephone, 0621-5001. P-75221.

2819—INDIA—Seeks joint venture partner to manufacture **barium compounds.** During first phase, plan to produce 900 tons per month of barium carbonate, subsequently make barium nitrate, barium chloride and barium sulphate. Basic raw material baryte is available at proposed plant location and coal and soda ash are also available indigenously. Prospective collaborator can provide up to 40 percent of equity capital, technical know-how, equipment which is not available locally, and may be asked to contract for 60 percent of total production. Entire output likely to be exported. Firm was started in 1965, employs 75, has annual sales of $150,000, designs and constructs water and sewage treatment and disposal plants. M. V. Krishnamurthy, Director, Engineering Combine, 60/4 Edwards Elliots Road, Mylapore, Madras 600004. P-75222. OPIC.

2842, 3079, 4399—JAPAN—Large diversified firm, Duskin Co., Ltd., seeks to obtain licenses to be able to offer complete range of equipment, accessories and supplies in building maintenance field. Is interested in following: **electric floor polishers, including attachments; vacuum cleaners, including attachments; door mats, vinyl, metal and jute; trash baskets, expanded metal and plastic; standing and tabletop ashtrays; umbrella stands; floor waxes and wax removers; floor and wall cleaning detergents; stain removers; window cleaning fluids; bathroom deodorizer; bathroom tile cleaner; mops and brooms; mop buckets; and dust pans.** Company expects to reach annual sales volume of $30 million within three years. It would supply capital and distribution system, and use manufacturing facilities of second largest firm in Japanese market. Duskin, franchise chain operator, currently offers limited range of maintenance supplies through its 1,500 franchisers. Contact: Kozo Shimada, Director, Development Division, Duskin Co., Ltd., 1-2 Nakatsuhondori, Oyodo ku, Osaka 531. P-75241. Shimada will visit U.S. in May; would like to meet potential licensors.

3079—GERMANY—Seeks joint venture with U.S. firm to expand production of **plastic products, especially advertising display and airline catering items.** Firm was founded in 1965, employs 50, has annual sales of $4 million. Company produces above items, selling throughout Germany and European Community. Wilhelm Uhlenbruch, Publiplast GmbH & Co. KG, D-7759 Immenstaad-Kippenhausen, Baden-Wuerttemberg. WTDR. P-75223.

3079—UNITED KINGDOM—Seeks licenses to manufacture new, finished U.S. products or systems containing **polyurethane foam or expanded polystyrene.** Firm has technical production and marketing expertise and is especially interested in penetrating general field of thermal insulation. Interested in laminated or specially engineered components used to insulate cold-rooms and for cold storage construction, including roofs of buildings. Firms has 1,000 employees and sales over $21 million annually. Is one of largest manufacturers of rigid and flexible polyurethane and expanded polystyrene in U.K. Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-75224.

3079—UNITED KINGDOM—Seeks licenses to manufacture **plastic, standard industrial parts and injection moulded products for proprietary automotive, hardware and do-it-yourself trades.** Firm is plastic injection moulder, established in 1969, has 30 employees, annual sales of $360,000. David G. Leck, Managing Director, David Leck Plastics Ltd., Charfleets Close, Charfleets Industrial Estate, Canvey Island, Essex, England. P-75225.

3274—AUSTRALIA—Desires to collaborate with U.S. cement company to develop large **limestone deposits** in Papua New Guinea. Deposits are on coast; preliminary studies indicate viable operations can be set up to ship clinker to west coast U.S. at competitive prices. Grinding plants will be established at each location, predominantly owned by local interest which will grind clinker, add gypsum to produce cement and serve local market. Proposal is to thoroughly investigate limestone deposits, latest manufacturing processes and export market and contemplate initial project size of about $25 million. Company is Sydney based firm formed for this project by substantial and well known Australians who have had extensive dealings with American companies. Papua New Guinea Cement Co., 52 Atchison St., St. Leonards, NSW 2065. Telephone, 4394255. P-75234.

3411—AUSTRALIA—Firm seeks licensing arrangement to manufacture **collapsible steel containers,** sizes 8'x4'x8' and 8'x4'x4'. Estimated present market potential, 10,000 units plus per year. Representative of firm plans visit to U.S. in May. L. J. Mulkearns, Managing Director, Alfarm Industries Pty. Ltd., P.O. Box 205, Albury, New South Wales 2640. P-75239.

3542—GERMANY—Firm seeks partnership with U.S. firm for distribution of **hydraulic hammers** and other specialized building and construction tools and equipment. Firm is interested in two-way joint distributorship with U.S. company. Would entail German firm obtaining distributors and sales rights to market U.S. produced manually operated heavy-duty hydraulic hammers in Germany and other European countries. In turn, German firm seeks U.S. distributorship for its line of machine operated, remote controlled, automotive hydraulic demolition hammers. German firm has sales agencies in several European countries. Herr Birkel, Sales Manager, Maschinen und Geraetebau Fernthal Mueller und Co., Postfach 1150, Industrie Strasse, D-5466 Neustadt/Wied-Fernthal. Cable, MFG Fernthal; telex, 0863713 MFG D; telephone, 02 683-3522. P-75240.

3550—CANADA—Seeks joint venture or license to manufacture **machinery.** Interested in product line already being sold in Canada. Firm has large, modern plant, necessary capital to purchase new machine tools and core of engineering and management personnel. Company has been engaged in rebuilding machine tools; it recently received incentive assistance grant from Canadian Department of Regional Economic Expansion. W. Wayne Harvey, Contract Administrator, Renfrew Machine Builders Ltd., Box 490, Renfrew, Ontario. WTDR. P-75226.

3551—JAPAN—Nippon Air Brake, leading manufacturer of braking systems for railroad cars and automobiles, seeks licenses. Wants to produce **advanced food packaging systems and machinery utilized in compaction and disposal of metal cans.** Is particularly interested in packaging machinery designed to comply with environmental and sanitary requirements. Company also makes control systems for ships, pneumatic and hydraulic equipment and automatic door opening systems. Is affiliated with Kobe Steel. Write: Kichitaro Ijiri, Manager, Research & Development Center, Maruka Machinery Co., Ltd., 41, Bungo-Machi, Higashi-ku, Osaka, 540. P-75238. (Maruka is seeking technology on behalf of Nippon Air Brake).

3555—JAPAN—Firm wishes to diversify its line of business into electronic area. Seeks to collaborate with U.S. licensor of **low-cost printers using dot matrix system to be incorporated in point of sales terminals and electronic cash registers, using printing role paper of 15 cm. width.** Company is one of largest Japanese textile manufacturers; employs 16,000. Yusuke Ishii, R&D Division, UNITIKA, Ltd., Yaesuguchi Kaikan Bldg., No. 7-20, Yaesu 1-chome, Chuo-ku, Tokyo 103. P-75237.

3559—JAPAN—Major firm seeks license to **manufacture and sell advance water treatment systems and engineering services.** Would be used in treatment of municipal water supplies. Japanese firm is interested in equipment superior to type already sold in this market. Company controls about 40 percent of Japanese market for cast iron gates and gate valves and cast iron butterfly valves used in public waterworks. Also provides liquid solid separation equipment and allied primary water treatment machines. Employs 850. Hiroshi Tohji, Chief, Overseas Division, Maezawa Industries, Inc., 2, Kyobashi 3-chome, Chuo-ku, Tokyo 104. P-75227.

3559—SWITZERLAND—Seeks licenses to manufacture **industrial dust collectors, wet**

air scrubbers and other industrial air-filtering devices. Main areas of application would be in cement, chemical, food and steel industries. Firm operates modern, well equipped plant. Has division involved in production of materials handling, waste water treatment and chemical machinery. Employs 200. Capable of handling any engineering and related problems. H. Koller, Dytan, Stahl-und Maschinenbau AG, 6048 Horw. P-75228.

3579, 3622—UNITED KINGDOM — Seeks licensing arrangement to produce **gears, springs and plastic components associated with timing equipment** in U.K. Manufactures clock work time stamps, electric time stamps, time recorders, electronic timing systems and plastic die mouldings. Established in 1880. J.O. Warwick, Managing Director, Warwick Time Stamp Co., Ltd., Perry Road, Staple Tye, Harlow, Essex CM18 7NE, England. P-75229.

3582—BELGIUM—Manufacturer of **laundry equipment** seeks to expand through license or joint venture agreement. Is interested in manufacturing products compatible with its present operation. Company owns fully equipped plant of 3,000 square meters, has room for expansion. It has experience and facilities to market throughout Europe. N. V. Ipso, Toekomststraat 45, B-8610 Wevegem. P-75230.

3589—BELGIUM—Seeks licenses to manufacture **filtration and solid/liquid residue treatment equipment.** Firm presently manufactures and markets vibrating separators, metal finishing and deburring machines, water pollution control apparatus and filtration equipment for oil and gas industry. Is European, African and Middle East headquarters for U.S. company. Established 1965, employs around 55 in Belgium. Willy Delbecq, Corporate Development Manager, Sweco Europe S.A., Parc Industriel, B-1400 Nivelles. P-75231.

3670—INDIA—Seeks joint venture to produce **miniature sealed potentiometers, rectangular** and spindle type, based on moulded carbon track, cermet and wire wound, as resistive material, conforming to H1 and H2 classification. Firm has obtained necessary government approval to manufacture one million potentiometers, principally for export. R. Ramachandran, Project Manager, Kerala Capacitors, Engineering Technicians Industrial (Work-shop) Co-operative Society Ltd., No. S. IND (Q) 313, Adoor, (Quilon Dt.), Kerala. P-75232. OPIC.

3711, 3751—BELGIUM—Seeks arrangement with U.S. firm to import and/or assemble **motor vehicles or motocycles.** Company has been engaged for 36 years as importer of various automobiles for Belgium and Luxembourg. Maintains assembly plant and has available land for expansion. Write: Charles Winterbeeck, Deputy Consul General, Industrial Section, Consulate General of Belgium, 50 Rockefeller Plaza, Suite 1104, New York, N.Y. 10020; telephone, 212-586-5110. P-75243.

3811, 3841—SWITZERLAND—Seeks license to manufacture **hospital and laboratory equipment, instruments and supplies,** except bio-electronics products. Firm will also consider manufacturing related equipment, such as equipment for catering trade and for beauty parlors. Presently produces and distributes medical, laboratory and beauty parlor equipment and instruments. Established in 1946, has assembly and servicing facilities. P. A. Manera, President, Medica Materia SA, rte de Renens 2, 1000 Lausanne 16. P-75235.

Mexican State Of Chihuahua Seeking U.S. Investment

The State of Chihuahua, about 220 miles south of El Paso, Tex., along with the Chihuahua Economic Development Corporation, has prepared brochures in English outlining the advantages for U.S. firms ready to consider investment in the State.

The first brochure, Chihuahua Mexico Facts for Industry, discusses Chihuahua's economic profile (history, location, climate, population, salaries, communications, transport, education). The second study, Las Americas—Industrial Park, explains Chihuahua's industrial park program. It includes information on the services and facilities offered, the labor force, taxes, and assembly plants. It also lists those industries in which the State desires to see U.S. investment, such as foundries, lumber, construction materials, mechanical equipment (for example, machine tools), and textiles.

Additional information and copies of these reports may be obtained from Eugene Villarreal, Executive Director, Chihuahua Economic Development Corporation, P.O. Box 1337, Chihuahua, Chihuahua. Telephone: 5-01-92. P-75244.

Licensing In U.S.

For additional information on these opportunities to manufacture foreign firms' products in the United States under a licensing agreement or in partnership, write the Investment Services Staff, Bureau of International Commerce, Room 4020, U.S. Department of Commerce, Washington, D.C. 20230 (202-967-2248), referring to the appropriate file number.

AUSTRALIA—Inventor seeks U.S. licensee to produce his **golf practice aids,** all of which are patented. One is device to assist in holding the head steady; second detects improper arm movement; and third detects improper leg movement. Worldwide rights are available on the three devices. **File 2712**

AUSTRIA—Company is seeking U.S. firm to produce its **soft drink** in U.S. Austrian firm will provide product base; U.S. firm, the bulk ingredients. **File 2713**

AUSTRIA—Company is interested in licensing its **technologies which are by-products of atomic energy research.** First is new method for measuring physical magnitudes, U.S. Patent No. 3,497,693, **File 2714;** second is method for controlling automatically operated devices, U.S. Patent No. 3,584,203, **File 2715;** third involves scanning electron microscopy of metals using light emission (process described in paper presented at Fifth European Congress on Electron Microscopy in 1972), not patented. **File 2716**

AUSTRIA—Company is interested in licensing or selling its **patented process** consisting of series of hoses **which prevents spreading of oil on sea from tankers.** Austrian Patent No. 311,274. **File 2717**

GERMANY—Company offers for manufacture and sale in U.S. its patented vertical, rather than horizontal, **venetian blinds with infinitely adjustable vertical louvers** of vinyl-coated fabric. German firm will supply patented louver for adjusting blinds, and U.S. firm would manufacture all other items and assemble blinds. Can be used at windows, and as room divider. **File 2718**

LUXEMBOURG—Company offers to U.S. licensee its process for **low-temperature transformataion of coal into chemical constituents.** Over 100 products are derived from the process and pollution factor is low (1% ash). **File 2719**

SWEDEN—Company is seeking U.S. firm to manufacture under license and distribute its external **wall cladding system** consisting of color-impregnated concrete. **File 2720**

SWEDEN—Company is seeking U.S. licensee to manufacture and/or assemble components of its **mobile fume exhaust system** used in garages and such areas. **File 2721**

SWITZERLAND—Manufacturer of electric housewares and laboratory instruments offers manufacturing and distribution rights in U.S. for its **test equipment** used in petrochemical and chemical industries, and in universities, **for qualitative and quantitative determination of absorbents. File 2722**

SWITZERLAND—Company wants to enter into licensing or joint venture agreement with U.S. firm which can perform the necessary **sheet metal work** for housing of its furnaces and marketing. It involves welding of heat resistant steel of up to thickness of five mm. Swiss company will supply heating elements and controls. **File 2723**

UNITED KINGDOM—Company is offering patent rights on its load-bearing **insitu grass and concrete surfacing** for parking lots, embankments, and driveways. **File 2724**

UNITED KINGDOM—Manufacturer of electrostatic powder coating generating and application equipment is interested in licensing manufacture and marketing of its **solid state dry coating equipment** on which patent is pending. Company may consider joint venture. **File 2725**

UNITED KINGDOM—Manufacturer of aluminum electrolytic capacitors, a.c. motor starting capacitors and formed aluminum foil for capacitors is interested in licensing its **aluminum foil processing techniques. File 2726**

YUGOSLAVIA—Institute is offering licenses for its **water and oil content analyzer.** A simple, nondestructive analyzer, it consists of pulsed nuclear magentic resonance spectrometer with pulse programmer and signal averager. **File 2727**

YUGOSLAVIA — Company is offering license for its **alkaline air-deplorized batteries. File 2728**

YUGOSLAVIA—Institute is offering licenses on its **electronic voting machine** for use by parliamentary bodies. **File 2729**

UNDP Aid Sought

Five developing countries and regions have submitted six preliminary requests for financial and technological assistance from the United Nations Development Program (UNDP).

Interested U.S. firms may obtain individual summaries of these projects from the Export Information Reference Room, Office of Export Development, Rm. 1063, Attn: Betty W. Patrick, U.S. Department of Commerce, Washington, D.C. 20230. Please include a pre-addressed label with your request, and identify each project summary desired by project number, country, and title. If the booklet, *UNDP Guide to Firms and Organizations*, would be useful, please so indicate.

EGY/73/038—EGYPT—Vocational training for Egyptian railways, phase II.

IND/72/032—INDIA—Higher education: Program for special assistance to selected departments.

NAN/74/007 — NETHERLANDS ANTILLES—Telecommunication training centre.

OMA/74/006—OMAN—Rural water supply for selected communities.

OMA/74/009—OMAN—Malaria control.

RAF/74/074—REGIONAL—Program for strengthening of national agrometeorological and hydrological services of Sahelian countries: Gambia.

Foreign Trade Inquiries

These trade opportunities are based on reports received from the U.S. Foreign Service—Department of State by the Trade Opportunities Division, Room 2323, U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest are indicated by the five-digit numbers and commodity classifications which are from the Standard Industrial Classification (SIC) Manual and the Numerical List of Manufactured Products, 1972 Census of Manufactures.

U.S. firms should be aware that the listing in Commerce Today *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Department of Commerce pursuant to the Export Administration Act of 1969. Applicable export licensing regulations must be followed.*

Every effort is made to include only traders with good reputations. However, the Department cannot be responsible for any trade relations.

WTDR indicates that a World Traders Data Report on this specific firm is available at $15 from the Export Information Division, Room 1313, U.S. Department of Commerce, Washington, D.C. 20230. A WTDR is a trade profile which contains commercial information including financial references, on an individual foreign firm. Orders must include complete name and address of the subject firm and be accompanied by payment. Further information concerning WTDRs and request forms are available at each Commerce District Office.

The mark (•) indicates that this trade opportunity is a request for bids by a foreign government agency.

Direct Sales

Coal

12100—REPUBLIC OF SOUTH AFRICA— Imminent need for .5 to 1 million tons high quality metallurgical coal. Iron and Steel Industrial Corporation (ISCOR), Durban.

Building construction

• **15100 — LIBYA** — The Central Tender Board, Suliman El-Barouni Street, Tripoli, invites specialized contractors to bid for construction of dormitories at Tripoli University. Tender documents and specifications are available for LDS 100 (US$340) from Ministry of Housing, Maidan Assaraya, Tripoli. Tenders should be accompanied by guarantee of LDS 10,000 (US$33,951). Tenderers must be registered in the contractors' register at Ministry of Housing or be represented by a registered firm. Bid deadline June 9.

General contractors

• **15410—KOREA**—Turnkey project consisting of design, manufacturing, supply, delivery, and erection of following equipment & facilities: 2 traveling pneumatic ship unloaders each with rated capacity of 400 tons per hr; 44 reinforced concrete storage bins with storage capacity of approx. 79,800 tons, including 27 star bins; multi-story reinforced concrete headhouse; all necessary mechanical equipment, electrical equipment and controls, and material handling equipment to transfer grain from ship unloader to storage facilities, and from storage facilities to truck, rail and barge transport. All necessary utilities including sewer, water and electrical distribution systems. Project expected to cost $10 million or more and will be financed jointly by Korean Gov't and IBRD loan. Joint venture of local construction company and overseas' suppliers of equipment could compete favorably with 100 percent local or foreign bidders. Following are ranking local construction companies in terms of 1974 performance record: Hyundai Construction Co., Ltd., CPO Box 1826, Seoul, 100, Cable: Hyundaico, Seoul, Telex: Hyundai, K2309. Dae Lim Industrial Co., Ltd., CPO Box 5505, Seoul, 100; Cable: Daealimind, Seoul; Telex: Daelim, K2379. Dong Ah Construction Industial Co., Ltd., CPO Box 383, Seoul, 100; Cable: Eaconst, Seoul. Kuk Dong Construction Co., Ltd., 25-5, 1-Ka, Chungmu-Ro, Chung-Ku, Seoul, 100; Cable: Constkukdong, Seoul. Sambu Construction Co., Ltd., 181-1, 1-Ka, Hoehyun-Dong, Chung-ku, Seoul, 100; Cable: Sambuconst, Seoul; Telex: Lambu, K-28318. Bid No. OSROK Invitation IBRD/L-75029-PII. Pre-tender meeting deadline June 18 at BPA; bid deadline Sept. 2 at OSROK. Direct questions to office of consultant, Lyon Associates, Inc., P.O. Box 559, Kwanghwamoon, Seoul, 110.

Heavy construction, except highway and street construction

• **16200 — KOREA** — Office of Supply (OSROK) is inviting tenders under Notice No. 6, OSROK Invitation No.: IBRD/L-75015-PII, from qualified equipment companies for design, manufacturing, supply, delivery, and erection of coal handling installation for facilities at Mukho Port. Only tenders for complete installation will be considered and tenderers will be required to submit qualifications data which will indicate competence in manufacture of equipment, experience in erection of equipment including installation of complete electrical control system, and maintenance services for repair or replacement of facilities. Financed jointly by Korean Government and IBRD.

Items to be purchased and erected:

2 reclaimers, 1 with a cap. of 600 tons/hr and 1 with a cap. of 300 tons/hr, but designed for ultimate 600 tons/hr.

2 collecting belt conveyors, each with a cap. of 600 tons/hr, 440 and 575 meters long, complete with supporting structure, hoppers, etc.

3 luffing and telescoping belt shiploaders, each with a cap. of 300 tons/hr.

Revamping and modifying 4 existing intermediate belt conveyors, each with a cap. of 400 tons/hr and 316 meters long.

Complete electrical and control equipment and connections for above installation. Manufacturers or authorized representatives interested in further details can obtain copies of contract documents at: Busan Port Authority, 46-63, 3rd Street, Dacchang-dong, Dong-ku, Busan, Korea. Direct questions to the Office of Consultant, Lyon Associates, Inc., P.O. Box 559, Kwanghwamoon, Seoul, 110.

• **16200 — YUGOSLAVIA** — One complete line to produce ferro-silicium from 98 percent quartzite, coke and briquets used as reducing material. Bid deadline May 15. Tender documents, in English, may be purchased for $50 from Invest-Import, IV OOUR, Terazije 5, 11000 Belograd, Ref.: Sluzbeni List No. 8/75.

Pulp mills, products

• **26110—IRAN** — Iranian Tobacco Co. requires 400 tons of white paper of high quality having substance of 90 grams/M2±2. Of this total 250 tons are to be provided in bobbins 326 MM wide; 50 tons in bobbins 613 MM wide; and 100 tons in bobbins 250 MM wide. Bid deadline May 26. Copy of tender containing specifications available from Construction and Forest Products Division, Room 2113, U.S. Department of Commerce, Washington, D.C. 20230, 202-967-3530. Samples of paper also available.

Agricultural chemicals

• **28700—PARAGUAY**—3,000 metric tons of triple superphosphate (46 percent P_2O_5) packaged in 50-kilogram, polyethylene-lined polypropylene bags. Shipment to include 1,200 empty bags of same type. Bids should be submitted through a duly registered local agent to Direccion, Depto. Agripecuario, Banco Nacional de Fomento, Calle Ind. Nacional 349, Piso 4, 406 Asuncion. Specifications available for 1,000 guaranies from above address.

Steel mill products

• **33100 — BOLIVIA** — Various sizes and quantities of ductile steel pipe and accessories for water distribution in La Paz. Bid deadline May 5. SAMPA, Casilla 4439, La Paz. Tender documents available at above address.

Farm machinery

35230—COLOMBIA—Axel Caro Greiffenstein, Chief of Industrial Division of Inagario, a government concern whose main partners are Caja Agraria and Idema, engaged in warehousing and grain storage services, is interested in purchasing on a direct basis, the following equipment under financing from Inter-American Development Bank. Temperature control equipment for five grain treatment plants, four of which consist of two parallel rows of 18 feet diameter and 33 feet high silos 21.3 feet apart. Fifth plan consists of two parallel rows with five silos of same specifications indicated above, plus other row of five 24 feet diameter and 63.6 feet high silos 26.24 feet apart. Contact Axel Caro Greiffenstein, Director Division Industrial, Inagrario S.A., Carrera 10 No. 16-39, Piso 13, Bogota.

Construction, mining, materials handling machinery, equipment

• **35300—TURKEY** — PTT Genel Mudurlugu, Malzeme Dairesi Baskanligi, Ruzgarli Sokak—Catal Han, Ulus, Ankara, requests bids on following: Ten each compactors; 2 or 4 cycle, 3600 RPM., min. 4 HP air-cooled gasoline engine-powered. Min. 1200 KG. Compaction power at min. 3000 VPM. min. 18M/Min. working speed, with detachable rubber-tired wheels for towing. Delivery period within four months from date of L/C. Prices in terms of f.o.b.-c.f.-Istanbul. Payment: L/C. Bidding specifications may be obtained from Modern Translation Bureau (Address: Karanfil Sokak 49/2, Yenisehir, Ankara) for $10. Checks must accompany orders. Bid deadline, May 6.

• **35330—SRI LANKA**—Design, supply and erection of plant for crushing and grinding of apatite rock having daily capacity of 400 tons. Plant to be located at Eppawela, about 122 mi. N. of Colombo. Bid deadline June 16. Tender documents available for 5 pounds

sterling (U.S. $12.11) from Chairman, State Fertilizer Manufacturing Corp., P.O. Box 1344, 21 Anderson Rd., Colombo 5.

Special industry machinery

• **35510—ETHIOPIA**—Complete dehydrated onion canning plant. Ministry of Commerce, Industry and Tourism desires turnkey project to establish fully equipped processing and packaging installation for dehydrated onions including dehydration machinery, drying bins, conveyors, elevators, washer, peeler, scalder, trimming table, canning equipment, cutters, sealers, and atmospheric conditioning equipment. Electric current: 220 V, 50 cycle. Buyer requests detailed brochures for large and medium capacity plants with prices and terms of sale. Payment to be effected by letter of credit by Ministry. Tender number 774/01/T-20. No bid deadline. Required soon as possible. Write Mulugheta Getahoun, Sales Representative, United Investors Co., P.O. Box 2456, Addis Ababa.

• **35510—KENYA**—Machinery for tea factories—Kenya Tea Development Authority, statutory body of Kenya Government, is charged with responsibility for tea industry in Kenya under a smallholder's scheme. It has a plan to construct 22 tea factories by 1979 to be financed by CDC, IBRD and Kenyan Government. Capacity of each will be 1.2 million KG. tea per annum. Four factories are under construction at advanced stage. Two factories are on drawing board, 16 factories are not yet designed. In order to widen scope of supply of various tea manufacturing machines and allied equipment and also to incorporate new ideas and improved technology in future factories, KTDA wishes to create direct contacts with leading manufacturers of any equipment listed in schedule of proposed machinery for next two factories. Interested manufacturers may send complete specifications and catalogs with estimated c.i.f. Mombasa prices of machines/equipment they consider suitable for use in factories. Prices are needed only to provide broad guide lines and shall not be binding on manufacturers unless duly negotiated and confirmed by either side at appropriate stage. Tender number: 779/01/T-12. No bid deadline. Customer: R. J. Khwaja, General Manager, Kenya Tea Development Authority, P.O. Box 30213, Nairobi. List of proposed machinery and equipment required is available for short-term loan from Transportation and Capital Equipment Division, Room 2806, BDC, U.S. Department of Commerce, Washington, D.C. 20230, 202-967-5566.

• **35590—IRAN**—Supply and erection of 2 units ice making plant. Bid deadline May 7. Iranian State Railways, Maidane Rahahan, Tehran, Ref.: 53/2192.

Communications equipment

• **36620—ZAMBIA** — Central Supply and Tender Board, P.O. Box 1009, Lusaka, has issued Tender No. MF/ORD/226 for 100-kw medium wave transmitter, two 5-kw medium-wave transmitters, and one 50-kw short wave transmitter. Bid deadline May 2. Copy of specifications available on short-term loan basis to firms located in U.S. from Science & Electronics Div., BDC-466, Room 1001, U.S. Dept. of Commerce, Washington, D.C. 20230, 202-967-2939.

Electrical machinery, equipment, supplies

• **36930 — SRI LANKA** — Department of Health, P.O. Box 584, Colombo, has issued tender for supply of 11 portable single channel cardiographs and accessories. Bid deadline May 16. Tender documents available at Embassy of Sri Lanka, 2148 Wyoming Ave., N.W. Washington, D.C. 20008.

Engineering, laboratory, scientific, research instruments

• **38110—JAMAICA** — Ministry of Education, 2. National Heroes Circle, P.O. Box 498, Kingston, invites tenders for laboratory equipment for 11 biology units, 18 chemistry units and 18 physics units. Also equipment for 24 teaching units for general science, 30 home economic units and 22 units for teaching arts and crafts. Bid deadline June 16. Cost being met from World Bank loans and Jamaica Government funds. The Permanent Secretary, Attn.: Office of the Equipment Specialist, World Bank, Room 502A, Kingston.

• **38110—VENEZUELA**—Los Andes University in Merida, Venezuela is seeking bids for equipment for photogrammetry laboratory of faculty of engineering. Bid deadline May 7. Equipment should consist of: balplex restitution units, optical projection for elaboration of large and medium-scale maps, plate carrier, etc.; point transporter, zoom transfer scope, restitution unit for second level, autograph type A-8 and B-8, and other equipment. Will be financed through IDB loan 355/SF-Ve; participation open to all IDB member countries. Copy of specifications available to firms located in U.S. from Science and Electronics Div., BDC-466, Room 1001, U.S. Department of Commerce, Washington, D.C. 20230, telephone 202-967-2939.

Instruments for measurement, analysis and control

• **38290—IRAN**—Telecommunication Company of Iran, Koorosh Kabir Ave., Bisim Pahlavi, Tehran, has issued Tender No. 53/63 for supply of 300 sets of dynamometers. Bid deadline May 7. Prospective applicants should pay approximately $7 for documents to account No. 90018 of Bank Melli Iran Farah Branch, and receive tender documents which consist of Transaction Conditions, Draft Contract and Technical Specifications.

Surgical, medical, dental instruments

• **38420—LIBYA**—Central Tender Board, Soliman El-Barouni St., Tripoli, has issued Tender No. 11/75 for supply of bandages and accessories for hospitals. Bid deadline May 5. Tender documents and specifications obtainable upon payment of LD 5 ($17) from General Administration of Pharmaceutical and Medical Equipment, Ministry of Health, Tripoli. Tender must be accompanied by guarantee of 5 percent of total value of the tender.

Scrap materials

50930XX—SPAIN — Scrap metal. Mfg. co. producing special steel. Medium-size and sells throughout country. Quotations either f.o.b. or c.i.f. port of Sevilla. Reply to—Martin I. Donderis, Dir. Gen., Aceros Bueno de la Cruz, S.A., Apartado Num. 97, Dos Hermanas, Sevilla. Telex 73370 ABSA; tel. (954) 7210400.

Representations

Foreign private firms are interested in agency agreements and/or distributorships for these products.

Textile goods

22993XX—ITALY — Wool tops: Fineness from 50's up to 70's, quantity 2,000 M/T, est. value $6,000,000. Wool noils & wastes: Fineness from 50's to 70's, quantity 4,000 M/T, est. value $6,000,000. Wool scoured: Fineness from 50's to 70's, quantity 1,000 M/T, est. value $1,500,000. Mohair tops: Fineness from 26 to 39 MY, quantity 200 M/T, est. value $1,000,000. Mohair scoured: Fineness from 26 to 39 MY, quantity 200 M/T, est. value $600,000. Wants representation for wool raw materials to sell in Italy, especially in Prato area, near Florence. Est. annual sales potential $15.1 million. Acts as agency for supply of raw materials for textile industry.

Gum, wood chemicals

2869XXX — 2992XXX — 3341XXX — 3399198—THAILAND—Cup. ctg. case brass 3 draw dwg. B-8594526, requirement 33,696.37 lbs. Lead antimony grade No. 1, spec. Mil-1-13283, requirement 48,663.90 lbs.

Tracer bullet M 25 cal. .30", requirement 75,000 heads; tracer bullet M196 cal. 5.56 mm., requirement 180,000 heads. Propellant, single base dwg. C-10534789, requirement 7,146.15 lbs.; propellant, double base dwg. B-10534784, requirement 17,251.51 lbs.; propellant, single base dwg. C-10535450, requirement 860.40 lbs. Pentaerythrite tetra nitrate (pent) type 2 mil-P-387-A, requirement 36.33 lbs. Antimony sulphide class A grade I Mil-A-159, requirement 105.34 lbs. Aminoguanidin bicarbonate (aminate) Mil-A-60569, requirement 55.43 lbs. Acetic acid glacial 99.5 percent CP grade O-C-265, requirement 12.95 gals. Lead nitrate, tech. grade mil-spec. L-20549A, requirement 269.72 lbs. Sodium hydroxide (flake) spec. Mil-S-11795 A, O-S-598, requirement 8.72 lbs. Thymol N.F. O-C-265, requirement 0 9 lbs. Gum arabic JJJ-A-20, requirement 3.62 lbs. Alcohol ethyl grade I, Mil-E-463, requirement 6.60 lbs. Nitric acid 70 percent, O-N-350, requirement 41.08 gal. Barium nitrate class I granular A, Mil-B-162D. Thinner triclorethylene spec. Mil-T-27602, requirement 154.60 gal. Aluminum powder type III grade F, Class 6, Mil-A-512, requirement 43.24 lbs. Gum tragaeanth spec. Jan-C-96, requirement 3.62 lbs. Gelatin spec. Fed-C-221 type I plain, requirement 3.62 lbs. Sodium nitrate USP. Grade granular O-C-265.

Resorcinol type III RC Mil-R-60864, requirement 98.52 lbs. Shellac TT-S-300, requirement 202.14 gal. Compound water proofing spec. Mil-C-13783, requirement 20.60 gal. Lube A. tube for mix w/white to lead to produce tube solution U-11, requirement 894.08 lbs. Requests c.i.f. Bangkok prices, specs. Operates as importer & distributor of chemicals, industrial machinery, scientific instruments and graphic arts supplies.

Reply to—I. Tharnit, Mgr., T. Sanpanich Ltd. Part., 456-458 Bamrungmuang Rd., Bangkok, Thailand. Cable Patanaskol; telephone 827048.

Abrasive, asbestos, nonmetallic mineral products

3295061—FRANCE—Graphite lubricants & graphite coated canvas for use on slip cushions. Founded 1947; capitalized at $45,000, specializes in importation & wholesale of abrasives, special lubricants & varnishes. Has 7 traveling salesmen covering France where it is exclu. sales agent for Swedish & German abrasive & varnish mfrs. Annual sales reportedly amount to $650,000. Local banking sources give firm good credit rating. Recommended as trade partner for U.S. concerns. Reply to—Mr. Grimmond, Outec, 25 rue Saglio, 67022 Strasbourg-Meinau Cedex. Telex. Eurest 89020 FGC 132; phone 88-392637. Company is seeking exclusive agency.

Future Construction Abroad

IRAQ—A tender for **three plants to make multiwall kraft paper cement sacks** has been issued by the State Organization for Construction Industries, Ministry of Industry, Baghdad. Each plant will produce 25 to 30 million sacks per year when working one 7-hour shift daily. Bids are due by May 29, and should be sent to Shaker Al-Juburi, Director General, Iraqi Cement Public Co., P.O. Box 2050, Alwiyah, Baghdad. Interested parties are also advised to cable Cement Baghdad for tender documents. A copy of these documents will be available for review with Ms. Cherie Loustaunau, Rm. 6015, U.S. Dept. of Commerce, 202-967-4441.

ALGERIA—Two turnkey tenders have been issued by the Algerian Government, one for **two hollow glass plants** and the other for **two flat glass plants.** Projected annual capacities of the hollow glass plants are 30,000 metric tons of bottles, flasks, goblets, and jars; 5,000 metric tons of pavement and glass brick; and 1,500 tons of crystal items and mosaic glass. The first flat glass plant will be located at Bougara and have a yearly capacity of 20,000 metric tons of flat glass of 2 to 10 mm. in thickness, 10,000 metric tons of printed and wire glass, and 4,000 metric tons of security glass for vehicles. The second flat glass plant, to be built in Eastern Algeria, will produce annually 20,000 metric tons of flat glass of 2 to 10 mm. in thickness. Bids on both tenders are due by May 20, and should be submitted by registered mail to Monsieur le Directeur General, SNIC, 4-6 Blvd. Mohamed V, Algiers (cable Snicent Alger, telex 52840). Offers should be in French and provide for training of personnel and technical assistance; all specifications should be in metric units. Tender documents in French available free from above address.

MAURITANIA—Tender documents for **extension of Nouadhibou Port** are available from the consultant, BCEOM, 15, Square Max-Hymans—75741, Paris CEDEX 15; telephone 566-9339; telex no. 25618F. Tender documents are in four lots: 1) Civil engineering work for lengthening existing fishing quais by 300 meters and lengthening of an earth-filled mole for general merchandise by 48 meters, including replacement of footbridge and dredging work; 2) Construction of sanitary installation for collecting residual water from factories, including treatment plant, and rejection conduit toward sea; 3) Construction of family quarters for merchant mariners; and 4) Construction of three individual lodgings. Prices of documents in French francs are 1000, 430, 470, and 100 for each respective lot. Work is financed by IDA, Kuwaiti Fund for Arab Economic Development, and Caisse Central de Corporation Economique Francaise. Bids must be submitted by May 14 to Monsieur le Chef du Service de l'Infrastructure, Ministere de l'Equipement, B.P. 237, Nouakchott. OPIC.

JAMAICA—The Ministry of Works has announced prequalification for **supply, fabrication, and delivery of 500 short tons of structural steel and steel deck** for passenger walkways at Norman Manley and Sangster International Airports and **350 short tons of structural steel** for a new cargo building at Norman Manley. Prequalification questionnaires available from Director of Major Projects, Ministry of Works, 140 Maxfield Ave., Kingston 10, Jamaica W.I. (telephone 936-3110). Deadline April 30.

SWEDEN—Sven Ullman, Gen. Mgr., Goteborg Port Authority, has announced an update of the **Port of Goteborg's development plans** for 1975-1977. The project of most immediate concern to U.S. suppliers will be expansion of load unit facilities in Alvsborg Harbor, which is the new expansion in the Gota River. The most immediate need according to Ullman will be conveyor cranes and roll on/roll off facilities. The new covered storage area will include automated warehousing equipment and should provide opportunities to U.S. suppliers. Interested U.S. firms may obtain further information and details from Sven Ullman, Dir., Port of Gothenburg, P.O. Box 453, Gothenburg. Tel: Area Code 031—17 17 00.

GERMANY—IBM Deutschland plans to enlarge its newly constructed plant in Berlin Marienfelde. The plant opened for production of copying machines in September 1974 and now employs more than 1,000. The planned addition will cover 7,000 sq. meters and cost more than DM 12 million. The Hamburg architectural firm Henschker has been awarded the design contract for the project, which will begin construction in early 1976. Interested potential suppliers should contact: IBM Deutschland GmbH, Werk, Herm Fritz Goetfe, 1 Berlin 48, Nahmitzer Damm 12. Telex: 18 55 51.

THAILAND—Royal Thai Air Force's Directorate of Armanent will issue a public tender for construction of a **high explosive filling plant,** designed for melting and pouring TNT, tritanol (80% TNT + 20% aluminum powder), etc. Minimum production capacity, on a six-hour per day basis, will be: 500 lb. general-purpose bombs (12 per hr.) or 250 lb. general-purpose bombs (24 per hr.) or 20 lb. fragmentation bombs (600 per hr.). Bombs produced must not have any shrink holes; and mechanical fuses, instead of electrical fuses, must be installed. Bomb cases and arsenal shells will be produced locally. It is expected that this tender will be publicly announced in April. Interested firms should write: Group Captain Sathien Sarinthorn, Directorate of Armament, Royal Thai Air Force, Don Muang, Bangkok. OPIC.

COSTA RICA — Instituto Costarricense de Electridad (ICE), an autonomous agency of Government of Costa Rica, has already completed a preliminary study and now plans an in-depth **study to determine the feasibility of utilizing the heat of the earth's interior for electrical power generation.** The preliminary study suggests that the most favorable location for thermal power would be within the volcanic range of Guanacaste Province. The feasibility study will evaluate a proposed site selected by ICE and conduct test drillings. After three drillings, results will be evaluated. Should results prove favorable, ICE would hope to erect a 30 MW turbogenerator to be operational early in 1980. Est. cost of feasibility study is $3,296,000, of which the InterAmerican Development Bank will finance $2,289,000. Tenders for the study will be invited by early April. Write: Ing. Manuel Corrales, Dir., Programas de Generacion, Instituto Costarricense de Electridad, Apartado 10032, San Jose.

The Overseas Private Investment Corp. (OPIC) offers political risk insurance to U.S. construction firms planning to submit bids on projects in certain developing countries, identified by the "OPIC" notation at the end of some items. For further information on OPIC's construction insurance program, write Information Officer, Overseas Private Investment Corp., Washington, D.C. 20527. Tel: 202-632-1854.

COSTA RICA—The Government is currently considering a plan for **development of Costa Rica's fishing industry.** The project, as now envisaged, will commence in 1976, is expected to cost in excess of $16 million and be completed early in 1979. The IDB is currently considering and is expected to approve a loan application for $11.3 million. Project calls for establishment of a fisherman's cooperative, construction of a port and terminal with fish processing plant, freezing facilities and refrigerated vehicles. A chart providing information related to capital requirements and periods of expenditures, and four contacts, available from the Dept. of Commerce, Trade Opportunities Program, Rm 2321, Wash., D.C. 20230, 202-967-2251.

PERU—The Ministry of Industry, through its Copesco Plan Bureau, has called for bids for construction of the **"Huaryctambo" Hotel** to be erected at the Machu-Picchu ruins area under the Copesco Plan, which includes construction of various tourist hotels and other infrastructure works in the Cuco-Puno area, Southern Peru, with funds provided by Inter-American Development Bank (Bid 268/OC-PE) and Peruvian Government. Construction of the main building, 14,380 sq. meters of roofed area, 2000-bed, involves $3.4 million. Works scheduled to start November 1975 and be completed by April 1978. Since bid deadline is too short for construction contractors, firms specializing in hotel equipment should contact: Teresa Guzman Gutierrez, Secretario General, Direccion Ejecutiva del Plan Copesco, Ministerio de Insudtria y Turismo, Av. Arequipa 340, Of 607, Lima.

EL SALVADOR—Water Services Administration's (ANDA) President, Ernesto Kury, announced that work on **San Salvador city potable water resources development project (North Zone Project)** will commence soon. A $30 million IDB loan has already been contracted and approved by the Legislative Assembly, in addition to $8 million to be provided by the Gov't of El Salvador. These funds will be used by ANDA to finance the first phase, which will be development of San Salvador's north sector water wells and underground reservoirs, est. to cover needs of the whole city. Project will be completed in five years. ANDA (Administracion Nacional de Acuedoctus y Alcanterillados), Edificio Comercial Pacifico, 9A. Avenida Sur 214, San Salvador, will issue invitation to bid soon. Some of the equipment needed: water pumps, turbine-motors, electric power transformers, pipelines, valves and fittings.

PERU — The General Industries Bureau, Ministry of Industry and Tourism, has completed prefeasibility studies for a **seamless steel pipe plant** to be located either in Arequipa or Chimbote. Capacity would be 150,000 tons per yr. of seamless pipes, ½" to 14" diameter. Two production lines are anticipated, as follows: lamination-extrusion of ½" to 8" pipes, with installed capacity of 80,000 ton per yr.; lamination-extrusion of 8" to 14" pipes, with installed capacity of 70,000 tons per yr. Overall project involves investment of U.S. $30 million. Main machinery and equipment required: revolving heating furnaces, piercer presses, rolling mill, forging rotary mill, stretcher and reducer mill, straightening machine, soaking furnaces, hydraulic testing machines, screw cutting machines, quality control equipment. U.S. enterprises willing to provide technical know-how and/or undertake final feasibility study contact: Ing. Jaime A. Montoya, Direccion General de Industrias, Ministerio de Industria y Turismo, Calle Oeste, Monterrico, Lima 27.

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The picnic is over!

What is an export?

● An export is a sale of an American product or service to someone in another country. ● Nothing happens in this world until a sale is made—no business can operate, no employees can be paid and no goods can be manufactured. ● An export sale is particularly important because it means additional income for the U.S., to help maintain our standard of living and improve conditions for the rest of the world.

Employee, what do exports mean to you?

● Exports accounted for 5,396,000 jobs in the United States in 1973. That means that one out of every seventeen jobs exists because of exports. ● In manufacturing alone one of every six jobs exists because we export. ● Every 10% increase in exports creates more than half a million new jobs, and we need more new jobs. ● Since the United States began to pursue a more liberal trade policy, exports have increased from $2.1 billion in 1934 to approximately $70 billion currently, thus accounting for more than 5 million new jobs. ● In 81 of the past 83 years we have exported more than we have imported. Thus world trade creates jobs, and the more trade, the more jobs.

Corporation stockholder, what do exports mean to you?

● About 6% of all U.S. corporate sales are exports, and therefore at least 6¢ of every dollar of corporate profit is from exports. ● There is a market somewhere for every product. We are going to have to find these markets, and sell harder.

● Large exports mean greater mass production, and lower prices for what is bought for use here in the U.S.A.

What does trade mean to all Americans, and why is the picnic over?

● In the past we had little need for world trade. We sold mostly to ourselves, working hard and using our great resources of cheap raw materials to sustain our growth. ● Like all things, resources do not last forever, and are running out at an alarming rate. Oil, copper, iron, all of our minerals are being used up. ● Our industry depends on other countries for the needed tin, mercury, platinum, titanium, manganese. Each of us consumes imported tea, coffee, cocoa, spices. ● Therefore, day by day, we must increase our imports to supply our needs, to provide the materials for our factories and our homes, and to help other nations which sell us to survive and prosper with us.

What do these growing imports have to do with expanding exports?

● Our country, just like your own family, over the long run cannot spend more than it takes in without destroying its savings or going into debt. That is called a "balance of payments." ● The largest components of our national balance of payments are *imports* (what we buy from other countries) and *exports* (what we sell them.) ● Therefore, if we buy more, we must sell more, or, like any family, eventually we go broke. The necessity of increasing *imports* to meet our needs demands that we increase *exports*, now.

So, what about cutting imports instead of trying to increase exports?

● *First*, trade is a two way street. If we don t buy from others, they won't buy from us. Thus, both we and our trading partners lose jobs, and hurt each other's economy. ● *Second*, as we have seen, without growing imports, our manufacturing will slow down for lack of adequate material supply and more jobs will be lost. ● *Third*, by restricting competition among nations we deny ourselves the best products at the lowest prices.

What can you do to help expand exports:

● Improve production efficiency so we can compete more effectively in the world marketplace. This means harder work and improving our technology.
● Shop more carefully. Buy the best product at the lowest price. Inefficient buying encourages inefficient producing.
● Conserve energy. The incredibly heavy cost of oil imports is a severe drain on our economy, equal to 30% of our total exports.
● That means using less gasoline, less heat, less air conditioning, less lighting.
● Be informed on trade legislation and make your views heard.

Be export minded:

● More exports mean more jobs for Americans, more profits, lower prices.
● Exports make it possible for us to pay for the products and materials we must buy from other nations, at the same time helping those other nations to survive.
● Exports help provide the tax revenues to meet our social needs.
● Exports are *your* business.

For further information on exporting contact your nearest District Office of the U.S. Department of Commerce.

The original pamphlet was produced by the Eastern Regional Export Council